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

FORM 10-K

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

For the fiscal year ended December 31, 2017

or

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

For the transition period from _____ to _____

DARÉ BIOSCIENCE, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**Commission File No. 001-36395**	**20-4139823**
(State or other jurisdiction of incorporation)		(IRS Employer Identification No.)
11119 North Torrey Pines Road, Suite 200, La Jolla, CA (Address of Principal Executive Offices)	Registrant's telephone number, including area code **(858) 926-7655**	**92037** (Zip Code)

Securities registered under Section 12(g) of the Act: None

Title of each class:	Name of exchange on which registered:
Common Stock, par value $0.0001 per share	Nasdaq Capital Market

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

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

Large Accelerated Filer	☐		Accelerated filer	☐
Non-accelerated filer	☐	(Do not check if a smaller reporting company)	Smaller reporting company	☒
Emerging growth company	☒			

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

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

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant on June 30, 2017 was approximately $52,137,748 based on the closing price as reported on the Nasdaq Capital Market. Shares of common stock held by each executive officer and director and each affiliated entity has been excluded from this calculation. This determination of affiliate status may not be conclusive for other purposes.

As of March 26, 2018, there were 11,422,161 shares of the registrant's common stock, par value $0.0001 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement relating to its 2018 annual meeting of stockholders to be held on July 10, 2018 are incorporated by reference into Part III of this report where indicated. Such proxy statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

Daré Bioscience, Inc. and Subsidiaries
Form 10-K – ANNUAL REPORT
For the Fiscal Year Ended December 31, 2017
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PART I

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, in particular "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations," and the information incorporated by reference herein contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, contained in this report, including statements regarding our strategy, future operations, future financial position, projected costs, prospects, plans and objectives of management, are forward-looking statements. Forward-looking statements include all statements that are not historical facts and, in some cases, can be identified by terms such as "believe," "may," "will," "estimate," "continue," "anticipate," "design," "intend," "expect," "could," "plan," "potential," "predict," "seek," "should," "would," "contemplate," project," "target," or the negative version of these words and similar expressions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including those factors described in Part I, Item IA, "Risk Factors," in this report, and elsewhere in this report. Given these uncertainties, you should not place undue reliance on any forward-looking statement. The following factors are among those that may cause such differences:

- *Inability to raise additional capital if needed, under favorable terms or at all;*
- *Failure to select or capitalize on the most scientifically, clinically or commercially promising or profitable indications or therapeutic areas for our product candidates due to limited financial resources;*
- *Inability to develop and commercialize our product candidates;*
- *Failure or delay in starting, conducting and completing clinical trials or obtaining United States Food and Drug Administration (FDA) or foreign regulatory approval for our product candidates in a timely manner;*
- *A change in the FDA's primary oversight responsibility;*
- *A change in regulatory requirements for our product candidates, including the development pathway pursuant to the FDA's Section 505(b)(2);*
- *Unsuccessful clinical trials stemming from clinical trial designs, failure to enroll a sufficient number of patients, higher than anticipated patient dropout rates, failure to meet established clinical endpoints, undesirable side effects and other safety concerns;*
- *Negative publicity concerning the safety and efficacy of our product candidates, or of product candidates being developed by others that share characteristics similar to our candidates;*
- *Inability to demonstrate sufficient efficacy of product candidates;*
- *Loss of our licensed rights to develop and commercialize a product candidate as a result of the termination of the underlying licensing agreement;*
- *Monetary obligations and other requirements in connection with our exclusive, in-license agreement covering the critical patents and related intellectual property related to our product candidate;*
- *Developments by our competitors that make our product candidates less competitive or obsolete;*
- *Inability to successfully attract partners and enter into collaborations on acceptable terms;*
- *Dependence on third parties to conduct clinical trials and to manufacture product candidates;*
- *Dependence on third parties to market and distribute products;*
- *Failure of our product candidates, if approved, to gain market acceptance or obtain adequate coverage for third party reimbursement;*
- *A reduction in demand for contraceptives caused by an elimination of current requirements that health insurance plans cover and reimburse FDA-cleared or approved contraceptive products without cost sharing;*
- *Lack of precedent to help assess whether health insurance plans will cover one of our product candidates;*
- *The reimbursement environment relating to our product candidates at the time we obtain regulatory approval, if ever;*

- *Difficulty in introducing branded products in a market made up of generic products;*
- *Inability to adequately protect or enforce our, or our licensor's, intellectual property rights;*
- *Disputes or other developments concerning our intellectual property rights;*
- *Actual and anticipated fluctuations in our quarterly or annual operating results;*
- *Price and volume fluctuations in the overall stock markets, and in our stock in particular, which could subject us to securities class-action litigation;*
- *Litigation or public concern about the safety of our potential products;*
- *Strict government regulations on our business, including various fraud and abuse laws, including, without limitation, the U.S. federal Anti-Kickback Statute, the U.S. federal False Claims Act and the U.S. Foreign Corrupt Practices Act;*
- *Regulations governing the production or marketing of our product candidates;*
- *Loss of, or inability to attract, key personnel; and*
- *Increased costs as a result of operating as a public company, and substantial time devoted by our management to compliance initiatives and corporate governance practices.*

All forward-looking statements in this report are current only as of the date of this report. We do not undertake any obligation to publicly update any forward-looking statement to reflect events or circumstances after the date on which any statement is made or to reflect the occurrence of unanticipated events, except as required by law.

ITEM 1. BUSINESS

The terms "we," "us," "our," "Daré" or the "Company" refer collectively to Daré Bioscience, Inc. and its wholly-owned subsidiaries, unless otherwise stated or the context otherwise requires. All information presented in this report is based on our fiscal year. Unless otherwise stated, references to particular years, quarters, months or periods refer to our fiscal years ending December 31 and the associated quarters, months and periods of those fiscal years.

Overview

We are a clinical-stage biopharmaceutical company committed to the advancement of innovative products for women's reproductive health. We are driven by a mission to identify, develop and bring to market a diverse portfolio of differentiated therapies that expand treatment options, improve outcomes and facilitate convenience for women, primarily in the areas of contraception, vaginal health, sexual health and fertility.

Our Strategy

Our business strategy is to license or otherwise acquire the rights to differentiated reproductive health product candidates, some of which have existing clinical proof-of-concept data, and to take those candidates through advanced stages of clinical development.

We believe that there is an opportunity to fill the gap that exists within clinical development of women's health care products between (a) non-profit organizations and small private companies that discover, innovate and conduct early clinical development of product candidates, and (b) large pharmaceutical companies that conduct late-stage clinical development and commercialize approved products. We believe that the stages of clinical development between those two ends of the development spectrum (early clinical development of product candidates and commercialization of product candidates by large pharmaceutical companies) are currently underserved. In addition, we believe there are gaps in therapeutic options for women and that there is an opportunity to deliver medicines that are better aligned with women's specific needs. We intend to fill the mid-stage development gap and the gaps in therapeutic options for women. The dynamics of the women's reproductive health market provide an opportunity for us to assemble a portfolio of candidates, including clinical-stage candidates, often with published human data. We believe we can enter into agreements that will allow us to advance the clinical development of these candidates and, if successful, create a comprehensive global commercialization strategy in combination with established pharmaceutical partners and regional distributors.

Our Product Candidates and Programs

We are initially focused on the areas of contraception, vaginal health, sexual health and fertility. Our product acquisitions have focused primarily on product candidates with preclinical and early clinical testing data that have been developed by the licensors. We intend to use the existing data, and data that we generate, in preparing Investigational New Drug Applications, or INDs, or Investigational Device Exemptions, or IDEs, to the extent these have not already been prepared, and in designing and implementing additional preclinical and clinical trials to advance the regulatory approval process toward New Drug Applications, or NDAs, or Premarket Approvals, or PMAs. We believe that we have product candidates that offer innovative therapeutic approaches that may provide meaningful advantages to current products. We are currently developing two clinical-stage product candidates: Ovaprene™, a non-hormonal monthly contraceptive and SST-6007, Topical Sildenafil cream for Female Sexual Arousal Disorder.

Ovaprene

We believe the need for more effective and convenient options is particularly true in the case of contraception. While a variety of hormonal and non-hormonal options currently exist, there is one notable void: an effective short-acting, non-hormonal method of contraception that does not require intervention at the time of intercourse.

Ovaprene is a monthly non-hormonal contraceptive ring that is currently undergoing clinical development in the United States. The Ovaprene intravaginal ring, if approved for marketing, requires no intervention at the time of intercourse, does not use hormones and would be intended to provide protection over multiple weeks of use. Ovaprene consists of a silicone-reinforced ring with a soft, absorbable scaffolding that encircles a fluid-permeable barrier. A non-braided, multi-filament mesh in the center of the ring functions as a physical barrier to sperm. The silicone ring also releases two ingredients—ascorbic acid and ferrous gluconate—that act together to create a spermiostatic environment within the vagina.

Ovaprene is a combination product that previously underwent a request for designation process within the Office of Combination Products at the FDA. The FDA designated Center for Devices and Radiological Health, or CDRH, as the lead agency FDA program center for premarket review and product regulation; it also provided notice that CDRH has

determined that a PMA will be required. We intend to develop Ovaprene based on PMA guidelines. If approved, Ovaprene would represent a new category of birth control. In a postcoital test, or PCT, pilot study conducted in 20 women and published in *The Journal of Reproductive Medicine*® in 2009, Ovaprene demonstrated the ability to immobilize sperm and prevent their progression into the cervical mucus.

SST-6007

Today, there are no products approved by the FDA to treat Female Sexual Arousal Disorder, or FSAD. Although numerous pharmaceutical products have been developed, tested and approved to treat erectile dysfunction in men, women continue to lack effective options for FSAD, an analogous condition. On February 12, 2018, we announced that we signed an exclusive worldwide license to develop and commercialize SST-6007 (5% Topical Sildenafil Citrate Cream), a potential treatment for FSAD. The license and collaboration agreement under which we obtained such license became effective on February 15, 2018, when we satisfied certain capital raising obligations. See "License and Royalty Agreements—SST-6007," below.

FSAD is characterized primarily by an inability to attain or maintain sufficient physical sexual arousal, frequently resulting in distress or interpersonal difficulty. SST-6007 incorporates sildenafil, the same active ingredient in male erectile dysfunction drug Viagra®, into a proprietary cream formulation. Topical SST-6007 is specifically designed to locally increase blood flow locally to the vulvar-vaginal tissue in women, leading to a potential improvement in genital arousal response and overall sexual experience.

We plan to pursue the 505(b)(2) regulatory pathway for SST-6007 in the U.S. in order to leverage the existing data and established safety profile of the Viagra® brand. If approved, SST-6007 could be the first rigorously tested and FDA approved FSAD treatment option for women.

Sales and Marketing

We currently have no formal internal marketing and sales infrastructure and capabilities. Our expected strategy with respect to potential commercialization of current and any future product candidates is to supplement our internal efforts with strategic-partners.

Manufacturing

We rely on third parties for the manufacture of our clinical trial material and we expect to rely on third-party manufacturers to produce commercial quantities of our drugs and devices, should they receive regulatory approval in the future.

License and Royalty Agreements

Ovaprene

We entered into a license agreement with ADVA-Tec, Inc. under which we were granted an exclusive license under ADVA-Tec's intellectual property rights to develop and commercialize Ovaprene for human contraceptive use worldwide, and which became effective on July 19, 2017, after we secured the initial funding required in accordance with its terms. ADVA-Tec and its affiliates own issued patents or patent applications covering Ovaprene, and control proprietary trade secrets covering the manufacture of Ovaprene. As of March 13, 2018, this patent portfolio includes 12 issued patents worldwide, along with eight patent applications, all of which, in accordance with the terms of the ADVA-Tec license agreement, are exclusively licensed to us for all uses of Ovaprene as a human contraceptive device. We also have a right of first refusal to license these patents and patent applications for purposes of additional indications for Ovaprene. Under the ADVA-Tec license agreement, ADVA-Tec will conduct certain research and development work as necessary to allow us to seek a PMA from the FDA, and will provide us with our clinical supplies of Ovaprene for clinical and commercial use on commercially reasonable terms.

Under the ADVA-Tec license agreement, we are required to make payments of up to $14.6 million in the aggregate to ADVA-Tec based on the achievement of specified development and regulatory milestones, which include the completion of a successful postcoital clinical study, which is required before we can commence a Phase 3 pivotal human clinical trial; the FDA's approval to commence such Phase 3 pivotal human clinical trial; successful completion of such Phase 3 pivotal human clinical trial; the FDA's acceptance of the filing of a PMA for Ovaprene; the FDA's approval of the PMA for Ovaprene; Conformite Europeenne, or CE, Marking of Ovaprene in at least three designated European countries; obtaining regulatory approval in at least three designated European countries; and obtaining regulatory approval in Japan. In addition, after the commercial launch of Ovaprene, we are also required to make royalty payments to ADVA-Tec based on aggregate annual net sales of Ovaprene in specified regions and a royalty rate that will vary between 1% and 10% and

will increase based on various net sales thresholds. Finally, we are also required to make up to $20 million in the aggregate in commercial milestone payments to ADVA-Tec upon reaching certain worldwide net sales milestones.

We are obligated to use commercially reasonable efforts to develop and commercialize Ovaprene, and must meet certain minimum spending amounts per year, such amounts totaling $5 million in the aggregate over the first three years, to cover such activities until a final PMA is filed, or until the first commercial sale of Ovaprene, whichever occurs first.

The license we received under the ADVA-Tec license agreement continues on a country-by-country basis until the later of the life of the licensed patents or our last commercial sale of Ovaprene. The ADVA-Tec license agreement includes customary termination rights for both parties, and it provides us the right to terminate with or without cause in whole or on a country-by-country basis upon 60 days prior written notice. In addition, ADVA-Tec may terminate the agreement if we fail to do any of the following: (i) satisfy the annual spending obligation described above, (ii) fail to use commercially reasonable efforts to complete all necessary pre-clinical and clinical studies required to support and submit a PMA, (iii) fail to conduct clinical trials as set forth in the development plan to which we and ADVA-Tec agree, and as may be modified by a joint research committee, where such failure is not caused by events outside of our reasonable control, or (iv) fail to enroll a patient in the first non-significant risk medical device study or clinical trial as allowed by an institutional review board within six months of the production and release of Ovaprene, where non-enrollment is not caused by events outside of the our reasonable control. In addition, ADVA-Tec may terminate the agreement if we develop or commercialize any non-hormonal ring-based vaginal contraceptive device competitive to Ovaprene or, in certain limited circumstances, if we fail to commercialize Ovaprene in certain designated countries within three years of the first commercial sale of Ovaprene.

SST-6007

On February 11, 2018, we entered into a license and collaboration agreement with Strategic Science and Technologies-D, LLC and Strategic Science Technologies, LLC, or referred to collectively as Strategic Science. We refer to such agreement as the SST license agreement in this report. Under the SST license agreement, we obtained a worldwide exclusive, royalty-bearing, sublicensable license to develop and commercialize Strategic Science's topical formulation of sildenafil citrate as it exists as of the effective date of the SST license agreement, or any other topically applied pharmaceutical product containing sildenafil or a salt thereof as a pharmaceutically active ingredient, alone or with other active ingredients, or the SST licensed products, but specifically excluding any product containing ibuprofen or any salt derivative of ibuprofen. Our license to develop and commercialize the SST licensed products is for all indications for women related to female sexual dysfunction and/or female reproductive health, including treatment of female sexual arousal disorder, or the SST field of use. The license was granted subject to our securing an investment of at least $10,000,000 by March 31, 2018, which was secured as a result of the underwritten public offering that closed on February 15, 2018, discussed elsewhere in this report.

Under the terms of the SST license agreement, we retain rights to inventions made by our employees, Strategic Science retains rights to inventions made by its employees, and each party owns a 50% undivided interest in all joint inventions. Each party agreed to collaborate through a joint development committee responsible for determining the strategic objectives for, and generally overseeing, the development efforts of both parties under the SST license agreement. We agreed to use commercially reasonable efforts to develop the SST licensed products in the SST field of use in accordance with a development plan contained in the SST license agreement, and to commercialize the SST licensed products in the SST field of use.

Strategic Science will be eligible to receive tiered royalties based on percentages of annual net sales of the SST licensed products in the single digits to the mid-double digits, including customary provisions permitting royalty reductions and offset, and a percentage of sublicense revenue. We are responsible for all reasonable internal and external costs and expenses incurred by Strategic Science in its performance of the development activities it is required to perform under the SST license agreement. We are also required to make milestone payments to Strategic Science ranging from $500,000 to $150,000,000 contingent on achieving certain clinical, regulatory and commercial milestones.

The license we received under the SST license agreement continues on a country-by-country basis until the later of ten years from the date of the first commercial sale of such SST licensed product or the expiration of the last valid claim of patent rights covering the SST licensed product in the SST field of use. We and Strategic Science have customary rights to terminate the SST license agreement in the event of material uncured breach by the other party, and, (i) prior to receipt of approval by a regulatory authority necessary for commercialization of an SST licensed product in the corresponding jurisdiction, including NDA approval, we will have the right to terminate the agreement without cause upon 90 days prior written notice to Strategic Science, and (ii) following receipt of approval by a regulatory authority necessary for commercialization of an SST licensed product in the corresponding jurisdiction, including NDA approval, we will have a right to terminate the agreement without cause upon 180 days prior written notice. Strategic Science has the right to terminate the agreement with respect to the applicable SST licensed product(s) in the applicable country(ies) upon 30 days' notice if we fail to use commercially reasonable efforts to perform development activities in substantial accordance with the development plan and do not cure such failure within 60 days of receipt of notice thereof.

Upon expiration (but not termination) of the SST license agreement in a particular country, we will have a fully paid-up license under the licensed intellectual property to develop and commercialize the applicable SST licensed products in the applicable country on a non-exclusive basis.

Intellectual Property

We actively seek to protect the proprietary technology that we consider important to our business in the United States and other jurisdictions internationally. We also rely upon trade secrets and contracts to protect our proprietary information.

Patents

In accordance with the terms of the ADVA-Tec Agreement, we are the exclusive licensee of nine granted U.S. patents and granted patents and/or pending applications in other major markets. There can be no assurance that any of these patent applications will result in the grant of a patent either in the United States or elsewhere, or that any patents granted will be valid and enforceable, or that these patents will provide a competitive advantage or afford protection against competitors with similar technologies. We also rely upon trade secret rights to protect other technologies that may be used to discover, validate and commercialize Ovaprene and any future product candidates. We presently seek protection, in part, through confidentiality and proprietary information agreements.

We consider the following U.S. patents and applications that are exclusively licensed to us pursuant to the ADVA-Tec Agreement to be particularly important to the protection of Ovaprene.

Jurisdiction	Patent Title	Patent Expiration
United States	Intravaginal Ringed Mesh Device And Applicator Therefor	August 2028
United States	Partially Absorbable Fiber-Reinforced Compositions For Controlled Drug Delivery	August 2028
United States	Multicomponent Bioactive Intravaginal Ring	August 2028

The medical device industry is characterized by the existence of a large number of patents and frequent litigation based on allegations of patent infringement. Patent litigation can involve complex factual and legal questions, and its outcome is uncertain. Any claim relating to infringement of third party patents that is successfully asserted against us, ADVA-Tec or ADVA-Tec's licensor may require us to pay substantial damages or may limit ours or ADVA-Tec's ability to rely on such patent protection. Any third party claim successfully alleging the invalidity or unenforceability of the patents may also limit ours or ADVA-Tec's ability to rely on such patent protection. Even if we, ADVA-Tec or ADVA-Tec's licensor were to prevail in any such action, any litigation could be costly and time-consuming and would divert the attention of management and key personnel from our business operations. Also, if our product candidate or any future products are found to infringe the patents of others, our development, manufacture, and sale of these potential products could be severely restricted or prohibited. Because of the importance of the patents licensed to us by ADVA-Tec for Ovaprene, our business and our prospects may be harmed if we fail to maintain the patent rights from ADVA-Tec or if we, ADVA-Tec or ADVA-Tec's licensor fail to protect key intellectual property rights.

In accordance with the SST license Agreement, we are the exclusive licensee in the SST field of use of fifteen issued patents worldwide (six U.S. patents and nine foreign patents), along with six pending worldwide patent applications. The issued U.S. patents have a patent term until December 2031 and may be eligible for patent term extension under the Hatch-Waxman Act.

Trademarks

We hold a domestic registration for the trademark Daré Bioscience. In accordance with the terms of the ADVA-Tec Agreement, we are the exclusive licensee of the Ovaprene trademark.

Market Access

We intend to create a comprehensive global commercialization strategy in combination with established pharmaceutical partners and regional distributors.

Potential future product candidates

In addition to Ovaprene and SST-6007, we have identified other potential product candidates in women's reproductive health that meet our selection criteria of expanding options, improving outcomes, and that are easy and convenient to use. We do not currently have any rights or licenses to such product candidates but may seek to acquire or license such products in the future to build a more robust product pipeline over time.

Research and Development

Our research and development expenses were $984,749 and $72,666 in 2017 and 2016, respectively. In 2017 and 2016, our research and development expenses consisted primarily of costs for Ovaprene associated with: consultants and clinical trial sites that conduct research and development activities on our behalf; laboratory and vendor expenses related to the execution of clinical trials; contract manufacturing expenses, primarily for the production of clinical supplies; and internal costs that are associated with activities performed by us and our partners and generally benefit multiple programs. See PART II—Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations," below for more information regarding our research and development expenses.

Competition

The industries in which we operate (biopharmaceutical, specialty pharmaceutical, biotechnology and pharmaceutical) are highly competitive and subject to rapid and significant change. We may not be able to compete successfully against organizations with competitive products, particularly large pharmaceutical companies. Many of our potential competitors have greater clinical, regulatory, manufacturing, marketing, distribution, compliance and financial resources and experience than we do. See "ITEM 1A. RISK FACTORS—Risks Related to our Business—We face intense competition from other medical device, biotechnology and pharmaceutical companies and our operating results will suffer if we fail to compete effectively," below.

Over the longer term, our ability, independently or otherwise, to successfully manufacture, market, distribute and sell any approved products, expand their usage or bring additional new products to the marketplace will depend on many factors, including, but not limited to, FDA and foreign regulatory agency approval of new products and of new indications for existing products, the efficacy and safety of our products (alone and relative to other treatment options), the degree of patent or other protection afforded to particular products, and reimbursement for use of those products.

Many other organizations are developing drug products and other therapies intended to treat the same diseases and conditions for which our product candidates are in development, and the success of others may render potential application of our product candidates obsolete or noncompetitive, even prior to completion of its development.

Suppliers

For some of the key raw materials and components of Ovaprene, we have only a single source of supply, and alternate sources of supply may not be readily available. ADVA-Tec will be responsible for all activities related to process development and scale up of Ovaprene manufacturing. Further, either directly or via a contract manufacturing organization, ADVA-Tec will be responsible for Ovaprene clinical and commercial supply.

Under the terms of the SST license agreement, Strategic Science will be responsible for obtaining supplies of SST-6007 for the Phase 2 clinical studies expected to be conducted in the United States. Thereafter, we will be responsible for obtaining pre-clinical, clinical and commercial supplies of SST-6007.

Both ADVA-Tec and Strategic Science will need to rely on third party suppliers to provide the quantities required. We expect the quantities of SST-6007 required to meet our foreseeable needs will be generally available from multiple sources. See "ITEM 1A. Risk Factors—Risks Related to our Business—Our success relies on third party suppliers, manufacturers and distributors, including multiple single source suppliers and manufacturers. We have no internal sales, marketing or distribution capabilities. Any failure by such third parties could negatively impact our business and our ability to develop and market any approved products," below.

Government Regulation

Governmental authorities in the U.S. and other countries extensively regulate the testing, manufacturing, labeling and packaging, storage, recordkeeping, advertising, promotion, import, export, marketing and distribution, among other things, of pharmaceutical, medical device, and combination products. In the U.S., the FDA, under the Federal Food, Drug and Cosmetic Act, or FDCA, and other federal statutes and regulations, subject pharmaceutical and other regulated products to rigorous review. If we do not comply with applicable requirements, we may be fined, the government may refuse to approve our marketing applications or allow us to manufacture or market our products, and we may be criminally prosecuted.

We and our third-party manufacturers, distributors and contract research organizations, or CROs, may also be subject to regulations under other federal, state, and local laws, including the Occupational Safety and Health Act, the Environmental Protection Act, the Clean Air Act, the Health Insurance Portability and Accountability Act, privacy laws and import, export and customs regulations, as well as the laws and regulations of other countries.

FDA Approval Process for Prescription Drugs

To obtain approval of a new drug product from the FDA, we must, among other requirements, submit data supporting its safety and efficacy, as well as detailed information on the manufacture and composition of the drug and proposed product labeling. The testing and collection of data and the preparation of necessary applications are expensive and time-consuming. The FDA may not act quickly or favorably in reviewing these applications, and we may encounter significant difficulties or costs in our efforts to obtain FDA approvals that could delay or preclude us from marketing our product candidates.

The process required by the FDA before a new drug may be marketed in the U.S. generally involves the following:

- completion of nonclinical studies performed in compliance with FDA regulations;
- design of a clinical protocol and its submission to the FDA as part of an IND, which must become effective before human clinical trials may begin;
- performance of adequate and well-controlled human clinical trials to establish the safety and efficacy of the product candidate for its intended use;
- submission of an NDA after completion of pivotal clinical trials and FDA acceptance of that NDA;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facilities at which the active pharmaceutical ingredient, or API, and finished drug product are produced and tested to assess compliance with current good manufacturing practices, or cGMP;
- possible inspection of selected clinical sites to confirm compliance with good clinical practices, or GCP, requirements and data integrity; and
- FDA review and approval of the NDA prior to any commercial marketing or sale of the drug product in the U.S.

The clinical investigation of an investigational new drug is divided into three phases that typically are conducted sequentially but may overlap. The three phases are as follows:

Phase 1. Phase 1 includes initial clinical trials introducing an investigational new drug into humans and may be conducted in patients or normal volunteer subjects. These trials are designed to determine the metabolism and pharmacologic actions of the drug in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness.

Phase 2. Phase 2 includes the controlled clinical trials conducted to evaluate the effectiveness of the drug for a particular indication or indications in patients with the disease or condition under study and to determine the common short-term side effects and risks associated with the drug. Phase 2 trials are typically well controlled, closely monitored, and conducted in a relatively small number of patients.

Phase 3. Phase 3 trials are typically large trials performed after preliminary evidence suggesting effectiveness of the drug has been obtained. They are intended to gather additional information about the effectiveness and safety that is needed to evaluate the overall benefit-risk relationship of the drug and to provide an adequate basis for physician labeling and product marketing approval. Phase 3 trials usually are conducted at geographically dispersed clinical study sites.

A clinical trial may combine the elements of more than one phase and the FDA may require more than one Phase 3 trial to support marketing approval of a product candidate. A company's designation of a clinical trial as being of a particular phase is not necessarily indicative that the study will be sufficient to satisfy the FDA requirements of that phase because this determination cannot be made until the protocol and data have been submitted to and reviewed by the FDA.

A pivotal trial is a clinical trial that is believed to satisfy FDA requirements for the evaluation of a product candidate's safety and efficacy such that it can be used, alone or with other pivotal or non-pivotal trials, to support regulatory approval. Generally, pivotal trials are Phase 3 trials, but they may be Phase 2 trials if the design provides a well-controlled and reliable assessment of clinical benefit, particularly in an area of unmet medical need.

Clinical trials must be conducted in accordance with the FDA's GCP requirements. The FDA may order the temporary or permanent discontinuation of a clinical trial at any time or impose other sanctions if it believes that the clinical trial is not being conducted in accordance with FDA requirements or that the participants are being exposed to an unacceptable health risk. An institutional review board, or IRB, must approve the clinical trial design and process for obtaining patient informed consent at study sites that the IRB oversees and also may halt a study, either temporarily or permanently, for failure to comply with the IRB's requirements.

As a product candidate moves through the clinical testing phases, manufacturing processes are further defined, refined, controlled and validated. The level of control and validation required by the FDA increases as clinical development progresses. We and the third-party manufacturers on which we rely for the manufacture of our product candidates and their respective components (including API) are subject to requirements that drugs be manufactured, packaged and labeled in conformity with cGMP. To comply with cGMP requirements, manufacturers must continue to spend time, money and effort to meet requirements relating to personnel, facilities, equipment, production and process, labeling and packaging, quality control, recordkeeping and other requirements.

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, detailed information on the product candidate is submitted to the FDA in the form of an NDA requesting approval to market the drug for one or more indications, together with payment of a significant user fee, unless waived. An NDA includes all relevant data available from pertinent nonclinical studies and clinical trials, including negative or ambiguous results as well as positive findings, together with detailed information on the product candidate's chemistry, manufacturing, and controls, or CMC and proposed labeling, among other things. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and efficacy of the product candidate for its intended use to the satisfaction of the FDA.

Most innovative drug products (other than biological products) obtain FDA marketing approval pursuant to an NDA submitted under Section 505(b)(1) of the FDCA. Another alternative is a special type of NDA submitted under Section 505(b)(2) of the FDCA, commonly referred to as a Section 505(b)(2) NDA, which enables the applicant to rely, in part, on the FDA's finding of safety and efficacy data for an existing product, or published literature, in support of its application. Section 505(b)(2) NDAs may provide an alternate path to FDA approval for new or improved formulations or new uses of previously approved products.

Section 505(b)(2) permits the filing of an NDA in which the applicant relies, at least in part, on information from studies made to show whether a drug is safe or effective that were not conducted by or for the applicant and for which the applicant has not obtained a right of reference or use. A Section 505(b)(2) applicant may eliminate the need to conduct certain preclinical or clinical studies, if it can establish that reliance on studies conducted for a previously-approved product is scientifically appropriate. The FDA may also require companies to perform additional studies or measurements to support the change from the approved product. 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 for which the Section 505(b)(2) NDA applicant has submitted data.

The FDA reviews all NDAs, whether 505(b)(1) or 505(b)2 applications, submitted to ensure that they are sufficiently complete for substantive review before it accepts them for filing. It may request additional information rather than accept an NDA for filing. In this event, the application must be resubmitted with the additional information. The resubmitted application also is subject to review before the FDA accepts it for filing. The FDA has 60 days after submission of an NDA to conduct an initial review to determine whether it is sufficient to accept for filing.

If an NDA submission is accepted for filing, the FDA begins an in-depth review of the NDA. Under the Prescription Drug User Fee Act, or PDUFA, the FDA sets a goal date by which it plans to complete its review. For a standard review, this goal date typically is ten months from the date of submission of the NDA application. If the NDA application relates to an unmet medical need in a serious or life-threatening indication and is designated for priority review, the FDA's goal date typically is six (6) months from the date of NDA submission. However, PDUFA goal dates are not legal mandates and FDA response often occurs several months beyond the original PDUFA goal date. Further, the review process and the target response date under PDUFA may be extended if the FDA requests, or the NDA sponsor otherwise provides, additional information or clarification regarding information already provided in the NDA. As a result, the NDA review process can be very lengthy. During its review of an NDA, the FDA may refer the application to an advisory committee of independent experts for a recommendation as to whether the application should be approved. The FDA is not bound by the recommendation of an advisory committee, but it typically follows such recommendations. Data from clinical trials are not always conclusive, and the FDA or its advisory committee may interpret data differently than the NDA sponsor.

After evaluating the NDA and inspecting manufacturing facilities where the drug product or its API will be produced, the FDA will either approve commercial marketing of the drug product for specific indications of use or issue a

complete response letter, or CRL, indicating that the application is not ready for approval and stating the conditions that must be met in order to secure approval of the NDA. If the CRL requires additional data and the applicant subsequently submits that data, the FDA nevertheless may ultimately decide that the NDA does not satisfy its criteria for approval. The FDA could also app rove the NDA with a Risk Evaluation and Mitigation Strategy, or REMS, which could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries or other risk minimization tools. The FDA also may condition drug approval on, among other things, changes to proposed labeling, development of adequate controls and specifications, or a commitment to conduct post-marketing testing. Such post-marketing testing may include Phase 4 clinical trials and surveillance to further assess and monitor the product's safety and efficacy after approval.

If the FDA approves any of our product candidates, we will be required to comply with a number of ongoing post-marketing regulatory requirements. We would be required to report, among other things, certain adverse reactions and production problems to the FDA, and to comply with requirements concerning advertising and promotional labeling for any of our prescription drug products. Also, quality control and manufacturing procedures must continue to conform to cGMP after approval, and the FDA periodically inspects manufacturing facilities to assess compliance with cGMP, which imposes extensive procedural, substantive and record keeping requirements. If we seek to make certain changes to an approved product, such as certain manufacturing changes, we will need FDA approval before the change can be implemented. For example, if we change the manufacturer of a product or its API, the FDA may require stability or other data from the new manufacturer, which data will take time and is costly to generate, and the delay associated with generating this data may cause interruptions in our ability to meet commercial demand, if any. Moreover, although physicians may use products for indications that have not been approved by the FDA, we may not label or promote the product for an indication that has not been approved pursuant to an NDA. Securing FDA approval for new indications is similar to the process for approval of the original indication and requires, among other things, submitting data from adequate and well-controlled clinical trials to demonstrate the product's safety and efficacy in the new indication. Even if such trials are conducted, the FDA may not approve any expansion of the labeled indications for use in a timely fashion, or at all.

We rely on third parties for the manufacture of our clinical trial material and we expect to rely on third-party manufacturers to produce commercial quantities of our drugs and devices, should they receive regulatory approval in the future. Future FDA, state or foreign governmental agency inspections may identify compliance issues at these third-party facilities that may disrupt production or distribution or require substantial resources to correct. In addition, discovery of previously unknown problems with a product or the failure to comply with applicable requirements may result in restrictions on a product, manufacturer or holder of an approved NDA, including withdrawal or recall of the product from the market or other voluntary, FDA-initiated or judicial action that could delay or prohibit further marketing. Newly discovered or developed safety or efficacy data may require changes to a product's approved labeling, including the addition of new warnings and contraindications, and also may require the implementation of other risk management measures. Many of the foregoing could limit the commercial value of a product or require us to commit substantial additional resources in connection with the approval of an investigational drug. Also, new government requirements, including those resulting from new legislation, may be established, or the FDA's policies may change, which could delay or prevent regulatory approval of our products under development.

Pharmaceutical Pricing and Reimbursement

Sales of our drug products, if approved, will depend, in part, on the extent to which the costs of our products will be covered by third-party payors, such as government health care programs, private health insurers, managed health care providers, and other organizations. These third-party payors are increasingly challenging drug prices and examining the medical necessity and cost-effectiveness of medical products and services, in addition to their safety and efficacy. If these third-party payors do not consider our products to be cost-effective compared to other therapies, they may not cover our products after approval as a benefit under their plans or, even if they do, the level of payment may not be sufficient to allow us to sell our products on a profitable basis.

Significant uncertainty exists as to the reimbursement status for newly approved drug products, including coding, coverage and payment. Sales of any products for which we obtain marketing approval will depend in part on coverage and adequate payment from third-party payors. There is no uniform policy requirement for coverage and reimbursement for drug products among third-party payors in the United States, therefore coverage and reimbursement for drug products can differ significantly from payor to payor. 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 payment will be applied consistently or obtained. The process for determining whether a payor will cover and how much it will reimburse a product may be separate from the process of seeking approval of the product or for setting the price of the product. Even if reimbursement is provided, market acceptance of our products

may be adversely affected if the amount of payment for our products proves to be unprofitable for health care providers or less profitable than alternative treatments or if administrative burdens make our products less desirable to use.

Additionally, the containment of health care costs has become a priority of federal and state governments and the prices of drug products have been a focus in this effort. For example, 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, and reform government program reimbursement methodologies for drugs. We expect that federal, state and local governments in the U.S. will continue to consider legislation directed at lowering the total cost of health care. In addition, in certain foreign markets, the pricing of drug products is subject to government control and reimbursement may in some cases be unavailable or insufficient.

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, collectively referred to as the ACA, enacted in March 2010, has had and is expected to continue to have a significant impact on the health care industry. The ACA, among other things, imposes a significant annual fee on certain companies that manufacture or import branded prescription drug products. The ACA also increased the Medicaid rebate rate and the volume of rebated drugs has been expanded to include beneficiaries in Medicaid managed care organizations. The ACA also expanded the 340B drug discount program (excluding orphan drugs), including a 50% discount on brand name drugs for Medicare Part D participants in the coverage gap, and revised the definition of "average manufacturer price" for reporting purposes, which could increase the amount of the Medicaid drug rebates paid to states. It also contains substantial provisions intended to broaden access to health insurance, reduce or constrain the growth of health care spending, enhance remedies against health care fraud and abuse, add new transparency requirements for the health care industry, impose new taxes and fees on pharmaceutical manufacturers, and impose additional health policy reforms, any or all of which may affect our business. Since its enactment there have been judicial and congressional challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. Certain provisions of the ACA are not yet, or have only recently become, effective, and others have been temporarily suspended, but the ACA is likely to continue the downward pressure on pharmaceutical pricing and may also increase our regulatory burdens and operating costs.

Other legislative changes have also been proposed and adopted since the ACA was enacted. For example, the Budget Control Act of 2011 resulted in aggregate reductions in Medicare payments to providers of up to 2% per fiscal year, which went into effect in 2013 and, following passage of the Bipartisan Budget Act of 2015, will stay in effect through 2025 unless additional Congressional action is taken, Additionally, the American Taxpayer Relief Act of 2012, among other things, reduced Medicare payments to several types of providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These new laws may result in additional reductions in Medicare and other healthcare funding. Strong, partisan disagreement in Congress has prevented implementation of various ACA provisions, while the Trump Administration has made repeal of the ACA a priority. One of the first executive orders of the Trump administration granted federal agencies broad powers to unwind regulations under the ACA. On January 11, 2017, the Senate voted to approve a "budget blueprint" allowing Republicans to repeal parts of the law while avoiding Democrat filibuster. The "Obamacare Repeal Resolution" passed 51-48. Certain legislators are continuing their efforts to repeal the ACA, although there is little clarity on how such a repeal would be implemented and what an ACA replacement might look like. For the immediate future, there is significant uncertainty regarding the health care, health care coverage and health care insurance markets.

It is uncertain whether and how future legislation, whether domestic or abroad, could affect prospects for our product candidates or what actions federal, state, or commercial payors for pharmaceutical products may take in response to any such health care reform proposals or legislation. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures reforms may prevent or limit our ability to generate revenue, attain profitability or commercialize our product candidates.

FDA Approval Process for Combination Products and Medical Devices

A combination product is a product composed of a combination of two or more FDA-regulated product components or products, e.g., drug-device or biologic-device. A combination product can take a variety of forms, such as a single entity made by physically or chemically combining components, or a single unit made of separately packaged products. Each combination product is assigned a lead FDA Center, which has jurisdiction for the premarket review and regulation, based on which constituent part of the combination product provides the primary mode of action, i.e., the mode of action expected to make the greatest contribution to the overall intended therapeutic effect of the product. If the classification as a combination product or the lead Center assignment is unclear or in dispute, a sponsor may request a meeting, submit a Request for Designation or RFD, and the FDA will issue a designation letter within 60 calendar days of the filing of the RFD. Depending on the type of combination product, the FDA may require a single application for

approval, clearance, or licensure of the combination product, or separate applications for the constituent parts. During the review of marketing applications, the lead Center may consult or collaborate with other FDA Centers.

In 2017, the FDA released final documents addressing the application of cGMP requirements and classification issues relating to combination products. The 21st Century Cures Act, or the Cures Act, which became law in December 2016 and, among other things, amended provisions of the FDCA, sets forth a number of provisions pertaining to combination products, such as procedures for negotiating disagreements between sponsors and the FDA and requirements intended to streamline FDA premarket reviews of combination products that contain an already-approved component. For drug-device combination products, comprised of an FDA-approved drug and device primary mode of action, the Cures Act applies Hatch-Waxman requirements to the premarket review process such that a patent dispute regarding the listed drug may result in the delay of the 510(k) clearance or PMA approval of the combination product. Furthermore, the Cures Act applies exclusivity provisions (e.g., new chemical entity and orphan drug exclusivities) to the device clearance and approval process for combination products with a device primary mode of action.

Because the FDA has different divisions responsible for assessing and approving devices, drugs, and biologics, the FDA's response to an RFD submitted by a sponsor will assign a lead Center for the combination product. The CDRH has oversight responsibility for medical devices, while the Center for Drug Evaluation and Research, or CDER, has responsibility for drug products. Because combination products involve components that would normally be regulated under different types of regulatory authorities, and frequently by different FDA Centers, they raise challenging regulatory, policy, and review management challenges. Differences in regulatory pathways for each component can impact the regulatory processes for all aspects of product development and management, including preclinical testing, clinical investigation, marketing applications, manufacturing and quality control, adverse event reporting, promotion and advertising, and post-approval modifications.

The development and approval process for combination products designated as having a drug-primary mode of action and assigned to CDER generally will follow the procedures set forth above for pharmaceutical products. Similarly, medical devices and combination products with a device-primary mode of action may also be subject to FDA approval and extensive regulation under the FDCA. Medical devices are classified into one of three classes: Class I, Class II, or Class III. A higher class indicates a greater degree of risk associated with the device and a greater amount of control needed to ensure safety and effectiveness.

All devices, unless exempt by FDA regulation, must adhere to a set of general controls, including compliance with the applicable portions of the FDA's Quality System Regulation, which sets forth good manufacturing practice requirements; facility registration and product listing; reporting of adverse medical events; truthful and non-misleading labeling; and promotion of the device consistent with its cleared or approved intended uses. Class II and III devices are subject to additional special controls and may require FDA clearance of a premarket notification (510(k)) or approval of a premarket approval application, or PMA.

Most Class I devices are exempt from FDA premarket review or approval. Class II devices, with some exceptions, must be "cleared" by the FDA through the 510(k) process, which requires a company to show that the device is "substantially equivalent" to certain devices already on the market. Class III devices, again with some exceptions, must be approved through a PMA. A PMA generally requires data from clinical trials that establish the safety and effectiveness of the device. A 510(k) application also sometimes requires clinical data. The Cures Act requires the FDA to establish a program that would expedite access to devices that provide more effective treatment or diagnosis of life-threatening or irreversibly debilitating diseases or conditions, for which no approved or cleared treatment exists or which offer significant advantages over existing approved or cleared alternatives; in 2017, the FDA published draft guidance on this "breakthrough" devices pathway.

Clinical trials for medical devices are subject to similar requirements as those conducting clinical trials with pharmaceutical products. Clinical trials involving significant risk devices (e.g., devices that present a potential for serious risk to the health, safety, or welfare of human subjects) are required to obtain both FDA approval of an investigational device exemption, or IDE, application and IRB approval before study initiation; clinical trials involving non-significant risk devices are not required to submit an IDE for FDA approval but must obtain IRB approval before study initiation.

The FDA has broad regulatory and enforcement powers with respect to medical devices, similar to those for pharmaceutical products. The FDA requires medical device manufacturers to comply with detailed requirements regarding the design and manufacturing practices, labeling and promotion, record keeping, and adverse event reporting. As with pharmaceutical products, states also impose regulatory requirements on medical device manufacturers and distributors. Failure to comply with the applicable federal or state requirements could result in, among other things: (1) fines, injunctions, and civil penalties; (2) recall or seizure of products; (3) operating restrictions, partial suspension or total shutdown of manufacturing; (4) refusing requests for approval of new products; (5) withdrawing approvals already granted; and (6) criminal prosecution.

The FDA also administers certain controls over the import and export of medical devices to and from the United States. Additionally, each foreign country subjects medical devices to its own regulatory requirements. In the European Union, a single regulatory approval process has been created, and approval is represented by the CE Mark.

Other Health Care Laws and Compliance Requirements

In addition to FDA requirements, several other types of state and federal laws apply and will apply to our operations. These laws include, among others, health care information and data privacy protection laws, transparency laws, and fraud and abuse laws, such as anti-kickback and false claims laws.

The federal health care program anti-kickback statute prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce or in return for purchasing, leasing, ordering or arranging for the purchase, lease or order of any health care item, good, facility or service reimbursable under Medicare, Medicaid or other federally financed health care programs. This statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers and formulary managers on the other. Although there are a number of statutory exceptions and regulatory safe harbors protecting certain common activities from prosecution or other regulatory sanctions, the exceptions and safe harbors are drawn narrowly, and practices that involve remuneration intended to induce prescribing, purchases or recommendations may be subject to scrutiny if they do not qualify for an exception or safe harbor.

Federal false claims laws and civil monetary penalties laws prohibit, among other things, any person or entity from knowingly presenting, or causing to be presented, a false claim for payment to the federal government, or knowingly making, or causing to be made, a false statement to have a false claim paid. Pharmaceutical and other health care companies have been prosecuted under these laws for, among other things, allegedly promoting their products for uses for which they were not approved and causing the submission of claims for payment for such use under federal health care programs.

The Health Insurance Portability and Accountability Act of 1996, or HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations, imposes 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.

The ACA also includes federal transparency requirements that apply to certain manufacturers of drug products, medical devices, biologics and medical supplies and require them to annually report to the Department of Health and Human Services information related to payments and other transfers of value to physicians and teaching hospitals and physician ownership and investment interests. Compliance with such reporting requirements may be costly for us once we have a drug product in commercial distribution and it is reimbursed by Medicaid.

The majority of states also have statutes or regulations similar to the aforementioned federal anti-kickback and false claims laws, which apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payor. We may be subject to state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts. In addition, we may be subject to reporting requirements under state transparency laws, as well as state laws that require pharmaceutical companies to comply with the industry's voluntary compliance guidelines and the applicable compliance guidance promulgated by the federal government that otherwise restricts certain payments that may be made to health care providers and entities.

Because we intend to commercialize products that could be reimbursed under federal and other governmental health care programs, we expect to develop a compliance program that establishes internal controls to facilitate adherence to the rules and health care program requirements. Although compliance programs and adherence thereto may mitigate the risk of violation of and subsequent investigation and prosecution for violations of the laws described above, the risks cannot be eliminated entirely. In addition, due to the breadth of these laws and the narrowness of available statutory and regulatory exceptions, it is possible that some of our business activities could be subject to challenge under one or more of such laws. If we or our operations are found to be in violation of any of the laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including civil and criminal penalties, damages, fines, individual imprisonment, disgorgement, exclusion of products from reimbursement under U.S. federal or state health care programs, contractual damages, reputational harm, administrative burdens, diminished profits and future earnings and/or the curtailment or restructuring of our operations.

Government Regulation Outside the U.S.

In addition to regulations in the U.S., we may be subject to a variety of regulations in foreign jurisdictions that govern, among other things, clinical trials and any commercial sales and distribution of our products. Whether or not we

obtain FDA approval for a product candidate, we must obtain the requisite approvals from regulatory authorities in foreign jurisdictions prior to the commencement of clinical trials or marketing and sale of the product in those countries. The foreign regulatory approval process includes all of the risks associated with the FDA approval described above. Some foreign jurisdictions have a drug product approval process similar to that in the U.S., which requires the submission of a clinical trial application much like the IND prior to the commencement of clinical studies. In Europe, for example, a clinical trial application, or CTA, must be submitted to each country's national health authority and an independent ethics committee, much like the FDA and IRB, respectively. Once the CTA is approved in accordance with a country's requirements, clinical trial development may proceed.

To obtain regulatory approval of a product candidate under European Union regulatory systems, we would be required to submit a Marketing Authorisation Application, which is similar to the NDA, except that, among other things, there are country-specific document requirements. For countries outside of the European Union, such as countries in Eastern Europe, Latin America or Asia, the requirements governing the conduct of clinical trials, product approval, pricing and reimbursement vary from country to country. In addition, regulatory approval of prices is required in most countries other than the U.S. We face the risk that the resulting prices would be insufficient to generate an acceptable return to us or any future partner of ours. If we fail to comply with applicable foreign regulatory requirements, we may be subject to, among other things, fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

Employees

As of December 31, 2017, we employed five full-time employees, two in research and development and three in general and administrative. Given the differing characteristics of our product candidates, our approach is to engage consultants with experience in varying specialties to help us develop such candidates. We engage numerous consultants that serve as an extension to our full-time employee base. We believe this philosophy enables us to access the expertise as needed without the need to expand the number of full-time employees and their associated costs.

Company Information

Until July 2017, our corporate name was Cerulean Pharma Inc., or Cerulean. Cerulean was incorporated in Delaware in December 2005. On July 19, 2017, Cerulean and Daré Bioscience Operations, Inc., a privately held Delaware corporation, or Private Daré, completed a transaction in which the holders of capital stock and securities convertible into capital stock of Private Daré, which holders are collectively referred to as the Private Daré Stockholders, sold their shares of capital stock of Private Daré to Cerulean in exchange for newly issued shares of Cerulean common stock. As a result of that transaction, Private Daré became a wholly owned subsidiary of Cerulean. As of immediately following the closing of that transaction: (i) the Private Daré Stockholders owned approximately 51% of the outstanding common stock of Cerulean, and (ii) the equity holders of Cerulean immediately prior to the closing, collectively, owned approximately 49% of the outstanding common stock of Cerulean. In connection with the transaction, Cerulean changed its name from "Cerulean Pharma Inc." to "Daré Bioscience, Inc."

We and our wholly owned subsidiaries, Private Daré and Daré Bioscience Australia Pty LTD, operate in one business segment.

On July 20, 2017, we effected a 1-for-10 reverse stock split of our common stock. All share and per share amounts of common stock, options and warrants in this report, including those amounts included in the accompanying consolidated financial statements, have been restated for all periods to give retroactive effect to the reverse stock split.

Available Information

Our website is located at *http://www.darebioscience.com*. Information found on our website is not incorporated by reference into this report. We make our filings with the U.S. Securities and Exchange Commission, or SEC, including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments and exhibits to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, available free of charge on or through our website, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Copies of our SEC filings are located at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room can be obtained by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a website that contains reports, proxy and information statements, and other information regarding our filings at *http://www.sec.gov*.

ITEM 1A. RISK FACTORS

Investment in our securities involves a high degree of risk and uncertainty. Our business, operating results, growth prospects and financial condition are subject to various risks, many of which are not exclusively within our control, that may cause actual performance to differ materially from historical or projected future performance. We urge investors to consider carefully the risks described below, together with all of the information in this report and our other public filings, before making investment decisions regarding our securities. Each of these risk factors, as well as additional risks not presently known to us or that we currently deem immaterial, could adversely affect our business, operating results, growth prospects or financial condition, as well as the trading price of our common stock, in which case you may lose all or part of your investment.

Risks Related to Our Business

We have incurred significant losses since our inception and expect to continue to incur losses in the foreseeable future. We must raise additional funds to finance our operations and remain a going concern.

Since inception, we have incurred significant operating losses. We incurred losses of $11,521,197 for the year ended December 31, 2017. At December 31, 2017, our accumulated deficit was $12,230,952. Negative cash flows from our operations are expected to continue for the foreseeable future. Based on our current operating plan, our current cash reserves are sufficient to fund operations for at least 12 months.

Our utilization of cash has been and will continue to be highly dependent on the product development programs we choose to pursue, particularly our programs for Ovaprene and Topical Sildenafil (also known as SST-6007), the progress of these programs, the results of our preclinical studies and clinical trials, the cost, timing and outcomes of regulatory decisions regarding a potential approval for our current product candidates or any future product candidates we may choose to develop, the terms and conditions of our contracts with service providers and license partners, and the rate of recruitment of patients in our clinical trials. In addition, the continuation of our clinical trials, and quite possibly our entire business, will depend on results of upcoming analyses and our financial resources at the time. Should our product development efforts be successful, we will need to develop a commercialization plan for each product developed, which would also require significant resources.

We will need to raise additional capital through public or private equity financings, debt financings, strategic partnerships or other types of arrangements in order to successfully execute our current operating plan and to continue the development of our current product candidates. See also "—We expect to be heavily reliant on our ability to raise capital through capital market transactions. Due to our small public float, low market capitalization, limited operating history and lack of revenue, it may be difficult and expensive for us to raise additional funds." If we raise capital through strategic partnerships or other types of arrangements, we may be required to relinquish, on terms that are not favorable to us, rights to some of our technologies or product candidates that we would otherwise seek to develop or commercialize. There can be no assurance that we will be able to raise additional capital when needed. If we are unable to raise additional capital when needed, we will not be able to continue development of our product candidates or we will be required to delay, scale back or eliminate some or all of our development programs or cease operations.

Due in part to our limited financial resources, we may fail to select or capitalize on the most scientifically, clinically or commercially promising or profitable indications or therapeutic areas for our product candidates, and we may be unable to pursue and complete the clinical trials that we would like to pursue and complete.

We have limited resources, including financial and technical resources, which may impact the development efforts of our existing product candidates and any future candidates we may choose to develop. Due to our limited resources, we may be required to curtail clinical development programs and activities that might otherwise have led to more rapid progress of our product candidate, or product candidates that we may in the future choose to develop, through the regulatory and development processes. We may make incorrect determinations with regard to the indications and clinical trials on which to focus the available resources that we do have. The decisions to allocate our research, management and financial resources toward particular indications may not lead to the development of viable commercial products and may divert resources from better opportunities. Similarly, our decisions to delay or terminate development programs may also cause us to miss valuable opportunities.

We expect to be heavily reliant on our ability to raise capital through capital market transactions. Due to our small public float, low market capitalization, limited operating history and lack of revenue, it may be difficult and expensive for us to raise additional capital.

We expect to be heavily reliant on our ability to raise additional capital through the issuance of shares of our common stock or securities linked to our common stock. Our ability to raise capital will depend on a number of factors,

many of which may not be favorable for raising capital, including the low trading volume and volatile trading price of our common stock, unfavorable market conditions or other market factors outside of our control, and the risk factors described elsewhere in this report, including those related to warrants we issued in February 2018. Even if we are able to raise additional capital, the cost of capital may be substantial due to our low market capitalization and our small public float, and the costs associated with raising capital and the effective cost of such capital for public companies like ours with a small public float may be more expensive when compared to the cost of capital for larger public companies. The terms of any funding we are able to obtain may not be favorable to us and may be highly dilutive to our stockholders, and debt financing, if available, may involve restrictive covenants. There can be no assurance that we will be able to raise additional capital when needed. The failure to obtain additional capital when needed would have a material adverse effect on our business.

We are actively seeking additional product candidates that we believe may add to our portfolio of innovative products for women's reproductive health, but we are not currently adequately capitalized to advance additional product candidates through development.

Our business strategy is to license or otherwise acquire the rights to differentiated reproductive health product candidates primarily in the areas of contraception, vaginal health, sexual health, and fertility, and to take those candidates through advanced stages of clinical development. Taking product candidates through advanced stages of clinical development requires substantial capital and does not generate any income. Executing our business strategy requires us to obtain additional capital to license or otherwise acquire rights to additional product candidates to grow and advance our portfolio and to take our product candidates through clinical development and eventually to commercialization or strategic partnership. Such capital may not be available to us, or even it is, the cost of such capital may be high. See "—We have incurred significant losses since our inception and expect to continue to incur losses in the foreseeable future. We must raise additional funds to finance our operations and remain a going concern," above. Based on our current operating plan, our current cash reserves are sufficient to fund operations for at least 12 months. Should we add additional product candidates to our portfolio or should our existing product candidates require testing or other capital intensive procedures that we did not anticipate, our cash resources will be strained. We may be forced to obtain additional capital before reaching clinical milestones, when our stock price or trading volume or both are low, or when the general market for biopharmaceutical, medical device, or other life sciences companies is weak. Raising capital under any of these or similar scenarios, if we can raise any at all, may lead to significant dilution to our existing stockholders. If we are unable to raise additional capital when required and on acceptable terms, we will not be able to add additional product candidates to our portfolio or we will be required to delay, scale back or eliminate some or all our development programs or cease operations.

The health care product candidates we are developing or may develop in the future are likely to face significant competition. In the event we receive regulatory approval for any of our product candidates, their ability to compete will be impacted by the efficacy and safety outcomes of our clinical trials.

Today, there are a variety of hormonal and non-hormonal contraceptive options available to women and men, including oral contraceptive pills and intrauterine devices, newer hormonal contraceptive products including implants, injectables, vaginal rings, patches, and hormonal intrauterine systems, and non-hormonal methods such as female condoms, novel diaphragms, and new methods of female sterilization. In surveys, women have said that the features they consider most important when selecting a contraceptive method are efficacy, ease-of-use and side effects. In order to have significant revenue potential as a new contraceptive product option, we believe Ovaprene must generate typical use efficacy outcomes (which are the expected rates of pregnancy protection once the product is used widely under every day circumstances) consistent with the most commonly used short-acting non-hormonal method, the condom, which is 82% effective and approaching that of a diaphragm which is approximately 88% effective. Clinical testing will also need to demonstrate that the device can be safely worn for multiple weeks. Should Ovaprene fail to generate the safety and efficacy data expected, our business prospects would be materially damaged.

Today's available options for treating FSAD consist primarily of over-the-counter products for vaginal lubrication. Although no products have been approved by the FDA for FSAD, we believe it is likely that new product candidates will be developed by others over time. Sexual arousal can be influenced by many different emotional and physiological factors and hence, our clinical trials must anticipate such factors in order to produce efficacious outcomes. SST-6007, our Topical Sildenafil product candidate, is designed to increase local blood flow to the genital tissue. Even if we are successful in increasing blood flow, the product may not lead to an increase in arousal or an improvement in the overall sexual experience in some women. If we fail to generate compelling clinical results from our trials, many women suffering from sexual arousal disorder may opt not to try SST-6007. If we fail to produce strong clinical outcomes, our ability to build a commercial market for SST-6007 will be materially impacted. See also "The patents and the patent applications covering SST-6007 are limited to specific topical formulations, processes and uses of sildenafil, and our market opportunity may be limited by the lack of patent protection for the active ingredient itself and other formulations and delivery technology and systems that may be developed by competitors," below.

We only have a limited number of employees to manage and operate our business.

As of March 13, 2018, we had a total of six employees, all of whom were full-time. Our focus on limiting cash utilization requires us to manage and operate our business in a highly efficient manner, relying on external consultants for needed clinical development expertise and to limit full-time personnel resources. No assurance can be given that we will be able to run our operations or accomplish all of the objectives that we otherwise would seek to accomplish with the limited personal resources we currently have.

If we fail to attract and retain management and other key personnel, we may be unable to successfully commercialize our product candidates, develop any product candidates or otherwise implement our business plan.

Our ability to compete in the highly competitive pharmaceutical and medical device industries depends upon our ability to attract and retain highly qualified managerial and key personnel. We are highly dependent on our senior management. The loss of the service of senior management individuals could impede, delay or prevent the development and commercialization of our product candidates, hurt our ability to raise additional funds and negatively impact our ability to implement our business plan. If we lose the services of either of these individuals, we might not be able to find suitable replacements on a timely basis or at all, and our business could be materially harmed. We do not maintain "key man" insurance policies on the lives of either of these individuals.

We might not be able to attract or retain qualified management and other key personnel in the future due to the intense competition for qualified personnel among biotechnology, medical device, pharmaceutical and other businesses, particularly in the San Diego area where we are headquartered. As a result, we may be required to expend significant financial resources in our employee recruitment and retention efforts. Many of the other companies within the contraceptive industry with whom we compete for qualified personnel have greater financial and other resources, different risk profiles and longer histories in the industry than we do. They also may provide more diverse opportunities and better chances for career advancement. If we are not able to attract and retain the necessary personnel to accomplish our business objectives, we may experience constraints that will harm our ability to implement our business strategy and achieve our business objectives.

Our business development strategy has included, and will likely continue to include, the acquisition of products, product licenses or other businesses. We may not be able to successfully manage such activities.

We may engage in strategic transactions that could cause us to incur additional liabilities, commitments or significant expense. Strategic transactions, including the SST license agreement we entered into in February 2018, could subject us to a number of risks, including, but not limited to:

- our inability to appropriately evaluate the potential risks and uncertainties associated with a given transaction;
- our inability to effectively integrate a new technology, product and/or business, personnel, intellectual property or business relationships; and
- our inability to generate milestones or revenues from a strategic transaction sufficient to meet our objectives in undertaking the transaction.

We may underestimate development costs, timelines, regulatory approval and commercial market opportunity for a strategic transaction that would cause us to fail to realize the anticipated value of the transaction. Any strategic transaction we may pursue may not produce the outcomes and benefits we originally anticipated, may result in costs that end up outweighing the benefits, and may adversely impact our financial condition and be detrimental to our company in general.

Our current or future employees, principal investigators, consultants and commercial partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards.

We may become exposed to the risk of employees, independent contractors, principal investigators, consultants, suppliers, commercial partners or vendors engaging in fraud or other misconduct. Misconduct by employees, independent contractors, principal investigators, consultants, suppliers, commercial partners and vendors could include intentional failures such as failures: (i) to comply with FDA or other regulators' requirements, (ii) to provide accurate information to such regulators or (iii) to comply with manufacturing standards established by us and/or required by law, (iv) to comply with SEC rules and regulations. In particular, sales, marketing and business arrangements in the health care industry are subject to extensive laws, regulations and industry guidance intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Misconduct by current or future employees, independent contractors, principal investigators, consultants, suppliers, commercial partners and vendors could also involve the improper use of information obtained in the course of clinical trials, which could result

in regulatory or civil sanctions and serious harm to our reputation. It is not always possible to identify and deter misconduct by employees, independent contractors, principal investigators, consultants, suppliers, commercial partners and vendors, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses, or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending or asserting our rights, those actions could have a significant adverse impact on our business, including the imposition of significant fines or other sanctions, and our reputation.

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

As a public company, we will be incurring and expect to continue to incur additional significant legal, accounting and other expenses in relation to our status as a public reporting company. We expect that these expenses will further increase after we are no longer an "emerging growth company." We expect that we will need to hire additional accounting, finance and other personnel in connection with our continuing efforts to comply with the requirements of being a public company, and our management and other personnel will need to continue to devote a substantial amount of time towards maintaining compliance with these requirements. In addition, the Sarbanes-Oxley Act of 2002 and rules subsequently implemented by the SEC and Nasdaq have imposed various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel, which are currently only a total of six employees, will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, we will be required to furnish a report by our management on our internal controls over financial reporting, including an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue implementing steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. If we identify one or more material weaknesses, this could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our consolidated financial statements.

The recently passed comprehensive federal tax reform bill could adversely affect our business and financial condition.

On December 22, 2017, President Trump signed into law the "Tax Cuts and Jobs Act," or TCJA, which significantly reforms the Internal Revenue Code of 1986, as amended. The TCJA, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest and net operating loss carryforwards, allows for the expensing of capital expenditures, and puts into effect the migration from a "worldwide" system of taxation to a territorial system. Our net deferred tax assets and liabilities will be revalued at the newly enacted U.S. corporate rate, and the impact, if any, will be recognized in our tax expense in the year of enactment. We continue to examine the impact this tax reform legislation may have on our business. The overall impact of the TCJA is uncertain and our business and financial condition could be adversely affected.

Security breaches, loss of data and other disruptions could compromise sensitive information related to our business, prevent us from accessing critical information or expose us to liability, which could adversely affect our business and our reputation

We utilize information technology systems and networks to process, transmit and store electronic information in connection with our business activities. As the use of digital technologies has increased, cyber incidents, including deliberate attacks and attempts to gain unauthorized access to computer systems and networks, have increased in frequency and sophistication. These threats pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data, all of which are vital to our operations and business strategy. There can be no assurance that we will be successful in preventing cyber-attacks or successfully mitigating their effects.

Despite the implementation of security measures, any of the internal computer systems belonging to us or our third-party service providers are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war, and telecommunication and electrical failure. Any system failure, accident, security breach or data breach

that causes interruptions in our own or in third-party service vendors' operations could result in a material disruption of our product development programs. For example, the loss of clinical study data from future clinical studies could result in delays in our or our partners' regulatory approval efforts and significantly increase our costs in order to recover or reproduce the lost data. Further, our information technology and other internal infrastructure systems, including firewalls, servers, leased lines and connection to the Internet, face the risk of systemic failure, which could disrupt our operations. To the extent that any disruption or security breach results in a loss or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information, we may incur resulting liability, our product development programs and competitive position may be adversely affected, and the further development of our products may be delayed. Furthermore, we may incur additional costs to remedy the damage caused by these disruptions or security breaches.

Risks Related to Clinical Development, Manufacturing and Commercialization

Our success will depend heavily on our ability to develop Ovaprene and SST-6007. Failure to develop these product candidates would likely adversely affect our business.

We currently have only two product candidates and our business depends on the successful clinical development and regulatory approval of each, which may never occur. Ovaprene will require substantial clinical testing in order to demonstrate that it is a safe and effective contraceptive option. Likewise, SST-6007 will need to demonstrate that it is a safe and effective option for women seeking treatment of FSAD. We have never received a regulatory approval for any product. Even if we are able to conduct clinical trials for these product candidates, we may be unable to obtain regulatory approval for either of them, which would have a material adverse effect on our business and operations. We may seek to license the product and technology rights to additional product candidates in women's reproductive health, but there can be no assurance we will be able to do so, or do so on favorable terms. There are risks, uncertainties and costs associated with identifying, licensing and advancing product candidates through successful clinical development. Even if we were able to obtain the rights to additional product candidates, there can be no assurance that these candidates will ever be advanced successfully through clinical development.

We are highly dependent on our license agreements with ADVA-Tec, Inc. and Strategic Science & Technologies, LLC and the loss or impairment of either license would have a materially adverse impact on our business prospects, operations and viability.

Our current portfolio includes two product candidates, both of which we license and both of which are critical to our business. In July 2017, we entered into a license agreement with ADVA-Tec for the exclusive worldwide rights to develop and commercialize Ovaprene. In addition to standard termination rights, ADVA-Tec may terminate the license agreement if we (i) fail to make significant scheduled investments in product development activities over the course of the agreement, (ii) fail to commercialize Ovaprene within six (6) months of obtaining a PMA from the FDA, (iii) with respect to the license in any particular country, fail to commercialize Ovaprene in that particular country within three (3) years of the first commercial sale, (iv) develop or commercialize a non-hormonal ring-based vaginal contraceptive device other than Ovaprene or (v) fail to conduct certain clinical trials. See "ITEM 1. BUSINESS—Overview—License and Royalty Agreements—Ovaprene," above.

In February 2018, we entered into a world-wide license and collaboration agreement with Strategic Science for the exclusive worldwide rights to develop and commercialize SST-6007 for all indications for women related to female sexual dysfunction and/or female reproductive health, including treatment of the female sexual arousal disorder FSAD. The SST license agreement provides that each party will have customary rights to terminate the agreement in the event of material uncured breach by the other party and under certain other circumstances. The SST license agreement provides Strategic Science with the right to terminate it with respect to the applicable Strategic Science licensed products in specified countries upon 30 days' notice if we fail to use commercially reasonable efforts to perform development activities in substantial accordance with the development plan contained in the SST license agreement and do not cure such failure within 60 days of receipt of Strategic Science's notice thereof. See "ITEM 1. BUSINESS—Overview—License and Royalty Agreements—SST-6007," above.

If our license agreement with ADVA-Tec or Strategic Science or both is terminated, impaired, or limited, we could lose the ability to develop and commercialize Ovaprene or SST-6007, as applicable, either of which would have a materially adverse impact on our business prospects and operations.

Delays in the commencement or completion of clinical testing of our current and any other future product candidates we may seek to develop could result in increased costs and longer timelines and could impact our ability to ever become profitable. Clinical testing is time consuming and expensive and its outcome is uncertain.

We expect to commence a PCT clinical trial during the first half of 2018 in order to assess the safety and preliminary efficacy of Ovaprene. In addition, pending authorization to do so from the FDA, we anticipate commencing a Phase 2b clinical trial for SST-6007 in the second half of 2018. The initiation and completion of these and other clinical

trials may vary dramatically due to factors within and outside of our control, and the results from early clinical trials may not necessarily be predictive of results obtained in later clinical trials; even if results from early clinical trials are positive, we may not be able to confirm those results in future clinical trials. Further, clinical trials may not ever demonstrate sufficient safety and effectiveness to obtain the requisite regulatory approvals for our product candidates. Any change in, or termination of, clinical trials could materially harm our business, financial condition, and results of operations.

The tests and clinical trials of our current and any future product candidates we may seek to develop may not commence, progress or be completed as expected, and delays would significantly impact our product development costs and timelines. The commencement of clinical trials can be delayed for a variety of reasons, including delays in:

- obtaining required funding;
- expected rates of recruitment and enrollment;
- reaching agreement on acceptable terms with prospective CROs and clinical trial sites;
- obtaining sufficient quantities of clinical trial materials for product candidates;
- obtaining IRB approval to conduct a clinical trial at a prospective site; and
- recruiting participants in a timely manner.

In addition, once a clinical trial has begun, it may experience unanticipated delays or be suspended or terminated by us, the FDA or other regulatory authorities due to a number of factors, all of which could impact our ability to complete our trials in a timely and cost-efficient manner, including:

- failure to conduct the clinical trial in accordance with regulatory requirements;
- higher than anticipated participant drop-out rates;
- failure of clinical trial participants to use the product as directed or to report data as per trial protocols;
- inspection of the clinical trial operations or clinical trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold;
- failure to achieve certain efficacy and/or safety standards;
- participants experiencing severe side effects or other adverse events related to the investigational treatment; or
- lack of adequate funding to continue the clinical trial.

Ovaprene is a drug/device combination and the process for obtaining regulatory approval for Ovaprene in the United States will require compliance with more complex requirements of the FDA applicable to combination products. A change in the FDA's primary oversight responsibility would adversely impact our development timeline and significantly raise our costs.

Ovaprene is composed of both device and drug components and is considered a combination product by the FDA. It has a contraceptive intravaginal ring design that includes a permeable mesh in the center of the ring that creates a partial barrier to sperm, and a release through the ring of locally acting spermiostatic agents. The barrier seeks to block the progression of sperm into the cervical mucus while the agents seek to create an environment that is inhospitable to sperm. Ovaprene previously underwent a request for designation, or RFD, process with the FDA that determined that the product had a device-primary mode of action and CDRH would lead the review of a PMA for the product. If the designation were to be changed to CDER, or if either division were to institute additional requirements for the approval of Ovaprene, we could be required to complete clinical studies with more patients and over longer periods of time than is currently anticipated. This would require us to raise additional funds and would cause us to miss anticipated timelines. Because Ovaprene is one of our only two product candidates currently in development, the impact of either a change in lead FDA review Center or the imposition of additional requirements for approval would be significant to us and would have a material adverse effect on the prospects for the development of Ovaprene, our business and our financial condition.

The factors contributing to Female Sexual Dysfunction and specifically, Female Sexual and Genital Arousal Disorders are complex in nature making the design and implementation of a successful clinical trial challenging.

Female Sexual Dysfunction disorders in women vary in nature and may be the result of a variety of physiological and psychological factors. Given the variability of factors contributing to the underlying condition, clinical studies to evaluate effectiveness in any subset of the condition under the umbrella of Sexual Dysfunction, such as arousal disorder, are complex. SST-6007 works primarily by increasing blood flow to the genital tissue. Therefore, it will be critical for us to

identify patients for whom inadequate blood flow to the genital tissue is the primary contributor to their arousal disorder. If we fail to screen properly, and instead enroll patients with different contributing factors, the results of our clinical trials will not demonstrate effectiveness. Even if we are able to identify women for whom inadequate blood flow is the primary contributing factor to their sexual arousal difficulties, there is no guaranty that the use of SST-6007 will improve their general feelings of arousal or that we can utilize a patient reported outcome measure that adequately captures their genital arousal response. Given the factors contributing to arousal disorders, we may be forced to run clinical trials in large patient populations, extending the timelines and increasing the cost of product development.

Today there are no FDA approved treatments for arousal disorders in women, and we lack a precedent program to assist in the design of our clinical trials. These factors increase our development risk and the chance of failure. Our failure to design and implement a successful clinical trial for SST-2006 would have material adverse impact on our business and our financial condition.

Our business is dependent on obtaining FDA approval for our product candidates in a timely manner, and the requirements for obtaining approval may change over time, requiring more financial resources and development time than we currently anticipate.

Our future success depends on our ability to obtain FDA regulatory approvals for our product candidates in a timely and cost-efficient manner. We may experience delays in our efforts to obtain such approvals for any of our product candidates, and there can be no assurance that such approvals will not be delayed, or that the FDA will ultimately approve these product candidates. The development path of our product candidates will reflect current FDA requirements, additional future FDA requirements, and may be influenced by the outcomes of other similar product candidates under development. In addition, the announcement of new requirements by the FDA, the failure of a competitive product to receive regulatory approval, or the receipt of a CRL from the FDA by another company pursuing a 505(b)(2) pathway that may have implications for our proposed pathway could impact how investors and potential strategic parties view the development risks associated with our product candidates. Changing clinical requirements for us or for others deemed to be comparable to us may impact our financial resources, our development timelines and may harm the perception held by others of our business.

Successful challenges to the FDA's interpretation of Section 505(b)(2) could impact the clinical development of SST-6007 and materially harm our business.

We intend to develop SST-6007 pursuant to the FDA's Section 505(b)(2) regulatory pathway. If the FDA determines that we may not use the 505(b)(2) pathway for the development of SST-6007, then we would be required to seek approval of SST-6007 via a "full" or "stand-alone" NDA under Section 505(b)(1). This would require us to conduct additional 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 SST-6007, and the complications and risks associated with this product candidate, would likely substantially increase and would have a material adverse effect on our business and financial condition.

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 FDCA. As described above, 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 obtained a right of reference. Section 505(b)(2), if applicable to us under the FDCA, would allow an NDA we submit to the FDA to rely in part on data in the public domain or the FDA's prior conclusions regarding the safety and effectiveness of approved compounds, which could expedite the development program for SST-6007.

Although the FDA's longstanding position has been that it may rely upon prior findings of safety or effectiveness to support approval of a 505(b)(2) application, this policy has been controversial and subject to challenge in the past. In addition, notwithstanding the approval of an increasing number of products by the FDA under Section 505(b)(2) over the last few years, certain brand-name pharmaceutical companies 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 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. Even if we are able to utilize the Section 505(b)(2) regulatory pathway, there is no guarantee this would ultimately lead to accelerated product development or earlier approval.

Moreover, any delay resulting from our inability to pursue the Section 505(b)(2) regulatory pathway could result in new competitive products reaching the market more quickly than our product candidates, which would likely materially adversely impact our competitive position and prospects. Even if we are allowed to pursue the Section 505(b)(2) regulatory pathway, we cannot assure you that our product candidates will receive the requisite approvals for commercialization.

Obtaining regulatory approval is a lengthy, expensive and uncertain process and may not be obtained on a timely basis, or at all. The requirements for approval may change over time and our clinical development programs may not accurately anticipate all of our regulatory requirements.

Even if we receive regulatory approvals for our product candidates, they may not gain acceptance among physicians, consumers or the medical community, thereby limiting our potential to generate revenue, which will undermine our future growth prospects.

Even if our product candidates are approved for commercial sale by the FDA or other regulatory authorities, the degree of market acceptance of any new product by physicians, consumers, health care professionals and third-party payors will depend on a number of factors, including:

- demonstrated evidence of efficacy and safety;
- sufficient third-party insurance coverage or reimbursement;
- effectiveness of our or our collaborators' sales and marketing strategy;
- the willingness of uninsured consumers to pay for the product;
- the willingness of pharmacy chains to stock the products;
- the prevalence and severity of any adverse side effects; and
- availability of alternative products.

If our products fail to provide a benefit over then currently available options, we are unlikely to generate sufficient revenues to achieve profitability.

The commercial success of Ovaprene, SST-6007 or any future product candidate we may seek to develop, will depend on the availability of alternative products and women's preferences, in addition to the market's acceptance of our product(s).

If we receive regulatory approval to market Ovaprene, its commercial success, or the success of any other future contraceptive product candidate we may seek to develop, will depend upon the contraceptive market as well as market acceptance of an alternative method. Risks related to market acceptance include, among other things:

- minimum acceptable contraceptive efficacy rates;
- perceived safety differences of hormonal and/or non-hormonal contraceptive options;
- changes in health care laws and regulations, including the ACA, and its effect on pharmaceutical coverage, reimbursement and pricing, and the birth control mandate;
- competition from new lower dose hormonal contraceptives with more favorable side effect profiles; and
- new generic contraceptive options including a generic version of the hormone-containing intravaginal product NuvaRing®.

If one or more of these risks occur it could reduce the market potential for Ovaprene, or any future contraceptive product we may seek to develop, and place pressure on our business, financial condition, results of operation and prospects.

Today, there are no FDA-approved products to treat FSAD. While our goal is for SST-6007 to be the first product to receive such approval, other competitive products may obtain an approval before us. Even if we achieve that goal, the costs associated with introducing a new product into the women's reproductive health market would likely be significant, and regardless of the amount spent, there is no guarantee that our new product will be broadly adopted. Our commercial success with SST-6007 will depend, in large part, on our ability to educate doctors and women about the need to diagnose and treat FSAD and to demonstrate the merits of SST-6007. Women may be hesitant to use SST-6007 for a variety of reasons, including the lack of experience with any product designed to treat FSAD, the lack or perceived lack of clinical evidence supporting its benefits, and the out-of-pocket cost of SST-6007 particularly if it is not covered by insurance.

If we suffer negative publicity concerning the safety or efficacy of our products in development, our reputation could be harmed and we may be forced to cease development of such products.

If concerns should arise about the actual or anticipated clinical outcomes regarding the safety of any of our product candidates, such concerns could adversely affect the market's perception of these candidates, which could lead to a decline in investors' expectations and a decline in the price of our common stock.

Our clinical product candidates have only been tested in a small number of women over short periods of use and no data exist regarding a potential increase in fetal abnormalities in pregnant women.

If either of our two clinical candidates, Ovaprene and SST-6007, are successful in their clinical development, we expect that women of child-bearing age will use them, and potentially for many months or years. To date, human clinical studies of our product candidates have been for relatively short periods of time and our product candidates lack safety data over longer periods of use. For example, while we believe the risk of adverse fetal development from using either Ovaprene or SST-6007 is low, the impact of Ovaprene on fetal development has not been studied and there are no adequate or well-controlled studies of SST-6007 (or of sildenafil, the active ingredient in SST-6007) in pregnant women. Thus, the risk of adverse fetal development from either or both of Ovaprene or SST-6007 may be greater than expected. Should either of our product candidates be shown to increase the risk of adverse fetal development, our ability to develop those or other product candidates would be substantially impaired, our business prospects and operations would be materially harmed, and we could also be subject to potential claims and lawsuits.

Our Topical Sildenafil product candidate may pose a greater risk to older or elderly women.

FSAD is a condition that impacts women of many ages, including older and elderly populations. Sildenafil, the active ingredient in SST-6607, has not been tested over long periods of time in older or elderly women. Older or elderly women may react differently and adversely to Topical Sildenafil and we have not yet thoroughly studied the topical or clinical pharmacology of this drug candidate in different patient populations. Should Topical Sildenafil show increased risk of adverse reactions, or signs thereof, in older or elderly women, our business prospects could be harmed.

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

The medical device, biotechnology and pharmaceutical industries are intensely competitive. Significant competition among various contraceptive products already exists. Existing products have name recognition, are marketed by companies with established commercial infrastructures and with greater financial, technical and personnel resources than us. In order to compete and gain market share, any new product will need to demonstrate advantages in efficacy, convenience, tolerability or safety. In addition, new products developed by others could emerge as competitors to our product candidates and offer advantages and benefits over our product candidates. If we are not able to compete effectively against our competitors, our business will not grow and our financial condition and operations will suffer.

Our potential competitors include large, well-established pharmaceutical companies and specialty pharmaceutical companies, many of which have strong franchises in women's health. These companies include Merck & Co., Inc., Agile Therapeutics, Inc., Allergan, Inc., Bayer AG, Johnson & Johnson, Pfizer Inc. and Mylan Inc. Additionally, several generic manufacturers currently market and continue to introduce new generic contraceptives, including Sandoz International GmbH, Glenmark Pharmaceuticals Ltd., Lupin Pharmaceuticals, Inc. and Amneal. Pharmaceuticals LLC. Other product candidates in development, if approved, could potentially compete with our products.

Ovaprene, SST-6007 and any future product candidates we may seek to develop, may cause serious adverse events or undesirable side effects which may delay or prevent marketing approval, or, if approval is received, require it to be taken off the market, require it to include safety warnings or otherwise limit our sales.

Serious adverse events or undesirable side effects from our current product candidates and any future product candidates we may seek to develop, could arise either during clinical development or, if approved, after approval and commercialization. The results of future clinical trials may show that a product candidate causes serious adverse events or undesirable side effects, which could interrupt, delay, or cause the termination of clinical trials, resulting in delay of, or failure to obtain, marketing approval from the FDA and other regulatory authorities.

If such serious adverse events or undesirable side effects occur:

- during the clinical development phase, regulatory authorities may impose a clinical hold which could result in substantial delays and adversely impact our ability to continue development of the product;
- during the commercial or post-marketing phase regulatory authorities may require the addition of specific warnings or contraindications to product labeling or field alerts to physicians and pharmacies;
- we may be required to change the way the product is administered or the labeling of the product;
- we may be required to conduct additional clinical trials with more patients or over longer periods of time than anticipated;

- we may be required to implement a risk minimization action plan, which could result in substantial cost increases and have a negative impact on our ability to commercialize the product;
- we may be required to limit the patients who can receive the product;
- we may be subject to promotional and marketing limitations on the product;
- sales of the product may decrease significantly;
- regulatory authorities may require us to take an approved product off the market;
- we may be subject to litigation or product liability claims; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of current or future product candidates, or could substantially increase commercialization costs and expenses, which in turn could delay or prevent us from generating significant revenues from product sales.

If we fail to enter into strategic relationships or collaborations to supplement our internal efforts, our business, financial condition, commercialization prospects and results of operation may be materially adversely affected.

Our expected strategy with respect to the development and potential commercialization of current and any future product candidates is to supplement our internal efforts with third-party collaborations. We face significant competition in seeking appropriate collaborators. Collaborations are complex and time-consuming arrangements to negotiate and document.

Our success in entering into a definitive agreement for any collaboration will depend upon, among other things, our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the design and outcomes of the clinical studies, the likelihood of approval by regulatory authorities, the potential market for the product, the costs and complexities of manufacturing and delivering such products to customers, the potential of competing products, the strength of the intellectual property and industry and market conditions generally. The collaborator may also consider alternative products or technologies for similar indications that may be available to collaborate on and whether such collaboration could be more attractive than the one with us for our products or product candidates.

Any potential collaboration agreement into which we might enter may call for licensing or cross-licensing of potentially blocking patents, know-how or other intellectual property. Due to the potential overlap of data, know-how and intellectual property rights, there can be no assurance that one of our collaborators will not dispute its right to use, license or distribute such data, know-how or other intellectual property rights, and this may potentially lead to disputes, liability or termination of the collaboration.

We may also be restricted under existing and future collaboration agreements from entering into agreements on certain terms with other potential collaborators and may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If that were to occur, we may have to curtail the development of a particular product, reduce or delay our development program, delay commercialization, reduce the scope of sales or marketing activities, or increase expenditures and undertake development or commercialization activities at our own expense. If we elect to fund development or commercialization activities on our own, we will need to obtain additional capital, which may not be available to us on acceptable terms or at all. Absent sufficient funds, we may not be able to commercialize a product candidate. If we enter into a collaboration agreement regarding a product or product candidate, we could be subject to, among other things, the following risks, each of which may materially harm our business, commercialization prospects and financial condition:

- we may not be able to control the amount and timing of resources that the collaborator devotes to the product development program;
- we may experience financial difficulties and thus not commit sufficient financial resources to the product development program;
- we may be required to relinquish important rights to the collaborator such as marketing, distribution and intellectual property rights;
- a collaborator could move forward with a competing product developed either independently or in collaboration with third parties, including our competitors;

- a collaborator could terminate the agreement (for convenience if permitted) or for our breach; or
- business combinations or significant changes in a collaborator's business strategy may adversely affect our willingness to complete our obligations under any arrangement.

The contraceptive market includes many generic products and the trend is expected to continue, making introduction of a branded contraceptive difficult and expensive.

The proportion of the U.S. market that is made up of generic products has been increasing over time. In 2016, approximately 83% of the prescription volume and approximately 43% of sales of combined hormonal contraceptives in the United States were generated by generic products. If this trend continues, it may be more difficult to introduce Ovaprene, if approved, or any future approved contraceptive product candidate we may develop, as a branded contraceptive, at a price that will maximize our revenue and profits. Also, there may be additional marketing costs to introduce Ovaprene in order to overcome the trend towards generics and to gain access to reimbursement by payors. If we are unable to introduce Ovaprene or any future approved contraceptive product candidate at a price that is commensurate with that of current branded contraceptive products, or we are unable to gain reimbursement from payors for Ovaprene, or if patients are unwilling to pay any price differential between Ovaprene and a generic contraceptive, our revenues will be limited.

Changes in health care laws and regulations may eliminate current requirements that health insurance plans cover and reimburse FDA-cleared or approved contraceptive products without cost sharing, which could reduce demand for branded products such as Ovaprene and lead to a preference for generic options. If the out-of-pocket costs for Ovaprene are deemed by women to be high, a commercial market may never develop.

We cannot be certain that third party reimbursement will be available for Ovaprene, after it achieves regulatory approval, and if reimbursement is available, the amount of any such reimbursement. The ACA and subsequent regulations enacted by the Department of Health and Human Services, or DHHS, require health plans to provide coverage for women's preventive care, including all forms of FDA-cleared or approved contraception, without imposing any cost sharing on the plan beneficiary. These regulations ensure that women who wish to use an approved form of contraception may request it from their doctors and their health insurance plan must cover all costs associated with such products. These regulations may be modified, repealed, or otherwise invalidated, in whole or in part. For example, certain members of the U.S. Federal Government have attempted and are continuing to attempt to repeal the ACA and corresponding regulations, which would likely eliminate the requirement for health plans to cover women's preventive care without cost sharing. Even if the ACA is not repealed, the DHHS regulations to specifically enforce the preventive health coverage mandate could be repealed or modified under the Trump Administration, which in 2017 altered the mandate to allow certain employers and insurers to opt out of birth control coverage for religious or moral reasons. We cannot predict the timing or impact of any future rulemaking or changes in the law. Any repeal or elimination of the preventive care coverage rules would mean that women seeking to use prescribed forms of contraceptives may have to pay some portion of the cost for such products out-of-pocket, which could deter some women from using prescription contraceptive products, such as Ovaprene, at all. As a result, we expect that our success will be dependent on the willingness of patients to pay out-of-pocket for Ovaprene in the event that either they do not have insurance or their insurance requires payment of a portion of Ovaprene by the patient, thus increasing the patient's overall cost to use Ovaprene. This could reduce market demand for Ovaprene or any other contraceptive candidates we may seek to develop, if and when they receive FDA approval, which would have a material adverse effect on our business, financial condition, and prospects.

As no FDA-approved treatments for FSAD currently exist, there is no precedent to help assess whether health insurance plans will cover SST-6007.

We cannot be certain that third party reimbursement will be available for SST-6007. Even if reimbursement becomes available, the amount of such reimbursement may not serve to make our product affordable to women and profitable to us. Insurers may deem SST-6007 to be a life-style drug and decide not to provide reimbursement. Today, many health insurance plans provide reimbursement for male sexual arousal medications. However, we cannot predict whether they will continue to do so or whether they will do so for female sexual arousal treatments as well. In addition, the safety and efficacy data from our clinical trials may impact whether SST-6007 will become eligible for insurance coverage, and if it does, the level of such reimbursement. In an environment of rapidly rising health care costs, insurers have been looking for ways to reduce costs, which could make it difficult for new therapies to gain coverage if they are not deemed critical or essential to gain coverage. If SST-6007 fails to obtain insurance coverage, or if the patient's share of the cost is deemed to be expensive, a market may never develop for SST-6007, which would have a material adverse effect on our financial condition and prospects.

Even if we obtain regulatory approval in the United States or elsewhere to market any of our products, the reimbursement environment at the time of approval may hurt our financial prospects.

Third-party payers and administrators, including state Medicaid programs, Medicare, and the Veterans Health Administration, have recently been challenging the prices charged for pharmaceutical and medical device products. The United States government and other third-party payers are increasingly limiting both coverage and the level of reimbursement for new drugs and medical devices. Third-party insurance coverage may not be available to patients for the products we seek to commercialize. If such government and other third-party payers do not provide adequate coverage and reimbursement, health care providers may not prescribe our products or patients may ask their health care providers to prescribe competing products with more favorable reimbursement.

Managed care organizations and other private insurers frequently adopt their own payment or reimbursement reductions. Consolidation among managed care organizations has increased the negotiating power of these entities. Private third-party payers, as well as governments, increasingly employ formularies to control costs by negotiating discounted prices in exchange for formulary inclusion. Failure to obtain timely or adequate pricing or formulary placement for the products we seek to commercialize or obtaining such pricing or placement at unfavorable pricing levels, could materially adversely affect our business, financial conditions, results of operation and prospects.

The pharmaceutical and medical device industries are highly regulated and subject to various fraud and abuse laws, including, without limitation, the U.S. federal Anti-Kickback Statute, the U.S. federal False Claims Act and the U.S. Foreign Corrupt Practices Act.

Health care fraud and abuse regulations are complex, and even minor irregularities can potentially give rise to claims that a statute or prohibition has been violated. The laws that may affect our ability to operate include, among other things:

- the federal health care programs' anti-kickback law (and comparable state laws), which prohibits, among other things, persons from knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual for, or the purchase, order or recommendation of, any good or service for which payment may be made under federal health care programs such as the Medicare, Medicaid and Veterans Health programs;
- federal and state false claims laws which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment from Medicare, Medicaid, Veterans Affairs, or other third-party payers that are false or fraudulent;
- HIPAA (and similar state laws), which mandates, among other things, the adoption of standards to enhance the efficiency and simplify the administration of the health care system, as well as to protect the confidentiality of protected health information and electronic protected health information;
- The ACA's reporting requirements for pharmaceutical, biologic and device manufacturers regarding payments or other transfers of value made to physicians and teaching hospitals, including investment interests in such manufacturers held by physicians and their immediate family members during the preceding calendar year; and
- the U.S. Foreign Corrupt Practices Act, which prohibits corrupt payments, gifts or transfers of value to non-U.S. officials.

The scope and enforcement of these laws is uncertain and subject to rapid change in the current environment of health care reform, especially in light of the lack of applicable precedent and regulations. Regulatory authorities might challenge our current or future activities under these laws. Any such challenge could have a material adverse effect on our reputation, business, results of operations and financial condition. In addition, efforts to ensure that our business arrangements with third parties will comply with these laws will involve substantial costs. Any investigation of us or the third parties with whom we contract, regardless of the outcome, would be costly and time consuming.

Our success relies on third party suppliers, manufacturers and distributors, including multiple single source suppliers and manufacturers. We have no internal sales, marketing or distribution capabilities. Any failure by such third parties could negatively impact our business and our ability to develop and market any approved products.

We have a very small number of employees and no personnel dedicated to marketing, manufacturing or sales and distribution. If we receive the requisite regulatory approvals for one or more products, we expect to rely on third parties to manufacture such products, and as such we will be subject to inherent uncertainties related to product safety, availability and security. For example, our agreement with ADVA-Tec limits our ability to engage a manufacturing source for Ovaprene other than ADVA-Tec following regulatory approval. If ADVA-Tec fails to produce sufficient ring quantities to

meet commercial demand, our ability to become profitable could be adversely impacted. To date, ADVA-Tec has only produced a small number of rings for clinical testing. Furthermore, for some of the key raw materials and components of Ovaprene, we have only a single source of supply, and alternate sources of supply may not be readily available.

Under the terms of the SST license agreement, Strategic Science will be responsible for obtaining supplies of SST-6007 for the Phase 2 clinical trials expected to be conducted in the United States. Thereafter, we will be responsible for obtaining pre-clinical, clinical and commercial supplies of SST-6007. Both companies will need to rely on third party suppliers to provide the quantities required.

Moreover, we do not expect to control the manufacturing processes for the production of any current or future products or product candidates, all of which must be made in accordance with relevant regulations, and includes, among other things, quality control, quality assurance, compliance with cGMP and the maintenance of records and documentation. In the future, it is possible that our suppliers or manufacturers may fail to comply with FDA regulations, the requirements of other regulatory bodies or our own requirements, all of which would result in suspension or prevention of commercialization and/or manufacturing of our products or product candidates, including Ovaprene and SST-6007, suspension of ongoing research, disqualification of data or other enforcement actions such as product recall, injunctions, civil penalties or criminal prosecutions against us. Furthermore, we may be unable to replace any supplier or manufacturer with an alternate supplier or manufacturer on a commercially reasonable or timely basis, or at all.

If we were to outsource product distribution for any current or future product candidates, this outsourcing would also be subject to uncertainties related to these services including the quality of such services. For example, distributors may not have the capacity to supply sufficient product if demand increases rapidly or which may be subject to issues of force majeure. Further, we would be dependent on the distributors to ensure that the distribution process accords with relevant regulations, which includes, among other things, compliance with current good documentation practices and the maintenance of records and documentation. Failure to comply with these requirements could result in significant remedial action, including improvement of facilities, suspension of distribution or recall of product. Furthermore, we may be unable to replace any such distributor with an alternate distributor on a commercially reasonable or timely basis, or at all.

If we were to experience an unexpected loss of supply of, or if we fail to maintain relationships with our current suppliers, manufacturers, distributors or regulatory service providers, we may not be able to complete development of Ovaprene, SST-6007 or any other future product candidates, or to commercialize or market any products following approval, which would have a material and adverse effect on our business, financial condition, results from operation and prospects. Third-party suppliers, manufacturers, distributors or regulatory service providers may not perform as agreed or may terminate their agreements with us. Any significant problem that our suppliers, manufacturers, distributors or regulatory service providers experience could delay or interrupt our supply of materials or product candidates until the supplier, manufacturer, distributor or regulatory service provider cures the problem or until we locate, negotiate for, validate and receive FDA approval for an alternative provider, if one is available.

Additionally, any failure by us to forecast demand for finished product, including Ovaprene and SST-6007, and failure by us to ensure our distributors have appropriate capacity to distribute such quantities of finished product, could result in an interruption in the supply of certain products and a decline in sales of that product.

If we were to experience an unexpected loss of supply of, or if any supplier or manufacturer were unable to meet its demand for our product candidates, we could experience delays in research, planned clinical trials or commercialization. We might be unable to find alternative suppliers or manufacturers with FDA approval, of acceptable quality, in the appropriate volumes and at an acceptable cost. The long transition periods necessary to switch manufacturers and suppliers would significantly delay our timelines, which would materially adversely affect our business, financial conditions, results of operation and prospects.

We intend to rely on third-parties for the execution of certain development programs for our current and any future product candidates. Failure of these third parties to provide services of a suitable quality and within acceptable timeframes may cause the delay or failure of our development programs.

We intend to employ a business model that relies on the outsourcing of certain functions, tests and services to CROs, medical institutions and other specialist providers. We will rely on these third parties for quality assurance, clinical monitoring, clinical data management and regulatory expertise. In terms of Ovaprene, we have identified a CRO to run all aspects of the PCT clinical trial, and we also intend to engage a CRO for all future clinical trial requirements needed to file for regulatory approvals. We expect to rely on third parties and CROs to perform similar functions for SST-6007 and any future candidates. There is no assurance that such organizations or individuals will be able to provide the functions, tests or services as agreed upon, or to the requisite quality. We will rely on the efforts of these organizations and individuals and could suffer significant delays in the development of its product or processes should they fail to perform as expected.

There is also no assurance that these third parties will not make errors in the design, management or retention of our data or data systems. Any failures by such third parties could lead to a loss of data, which in turn could lead to delays in clinical development and obtaining regulatory approval. Third parties may not pass FDA or other regulatory audits, which could delay or prohibit regulatory approval. In addition, the cost of such services could significantly increase over time. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, regulatory approval of current and future product candidates, may be delayed, prevented or cost significantly more than expected, all of which would have a material adverse effect on our business, financial conditions, results of operation and prospects.

The commercial success of Ovaprene, SST-6007 and any future product candidates will significantly depend on the label claims that the FDA or other regulatory authorities approve for the product.

The commercial success of any of our product candidates will significantly depend upon our ability to obtain approval from the FDA or other regulatory authorities of product labeling containing adequate information regarding a product candidate's expected features or benefits. Failure to achieve such approval will prevent or substantially limit our ability to advertise and promote such features and benefits in order to differentiate Ovaprene, SST-6007 or any future product candidate from competing products. This failure would have a material adverse impact on our business, financial condition, results of operation and prospects.

Even if we receive approval from the FDA in the United States to market our current or any future product candidates we may seek to develop, we may fail to receive similar approval outside the United States.

In order to market a new product outside the United States, we must obtain separate marketing approvals in each jurisdiction and comply with numerous and varying regulatory requirements of other countries, including clinical trials, commercial sales, pricing manufacture distribution and safety requirements. The time required to obtain approval in other countries might differ from, and be longer than, that required to obtain FDA approval. The marketing approval process in other countries may include all of the risks associated with obtaining FDA approval in the United States, as well as other risks. Further, we may be unable to obtain rights to the necessary clinical data in other countries and may be required to develop our own. In addition, in many countries outside the United States, a new product must receive pricing and reimbursement approval prior to commercialization. This can result in substantial delays in these countries. Additionally, the product labeling requirements outside the United States may be different and inconsistent with the United States labeling requirements, negatively affecting our ability to market our products in countries outside the United States.

In addition, we may be subject to fines, suspension or withdrawal of marketing approvals, product recalls, seizure of products, operating restrictions and criminal prosecution if we fail to comply with applicable foreign regulatory requirements. In such an event, our ability to market to our full target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed, which could have a materially adverse effect on our business, financial condition, results of operation and prospects.

Our business may be adversely affected by unfavorable macroeconomic conditions.

Various macroeconomic factors could adversely affect our business, our results of operations and financial condition, including changes in inflation, interest rates and overall economic conditions and uncertainties, including those resulting from political instability (including workforce uncertainty) and the current and future conditions in the global financial markets.

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

Risks Related to Our Intellectual Property

Our failure to adequately protect or enforce our, or our licensor's, intellectual property rights could materially harm our proprietary position in the marketplace or prevent the commercialization of our current and potential future products.

Our success depends in part on our ability, and the ability of our licensor(s), to obtain and maintain protection in the United States and other countries for the intellectual property covering or incorporated into our technologies and products. The patents and patent applications relied upon by us are licensed to us by third parties. Our ability, or the ability of our licensor(s), to protect our product candidates from unauthorized use or infringement by third parties depends substantially on our abilities and the abilities of such licensors to obtain and maintain, or license, valid and enforceable patents. Due to evolving legal standards relating to the patentability, validity and enforceability of patents covering

pharmaceutical inventions and the scope of claims made under these patents, our ability to obtain or enforce patents is uncertain and involves complex legal and factual questions for which important legal principles are unresolved.

Our patent strategy for the protection of Ovaprene includes in-licensing a patent family from ADVA-Tec, whose last claim expires in August 2028, but which could potentially be extended to August 2033 in the United States and Europe. Further, patent prosecution for the intellectual property incorporated into Ovaprene is entirely controlled by ADVA-Tec and we have little, if any, influence or control over such patent prosecution.

Our patent strategy for the protection of SST-6007 includes in-licensing a patent family from Strategic Science, whose last claim expires in December 2031, but which could potentially be extended under the Hatch-Waxman Act in the United States.

With respect to patents related to SST-6007, Strategic Science will have the sole right, but not the obligation, to prepare, file, prosecute and maintain such patents. We will be responsible for the costs incurred to maintain and prosecute all such patents and we will be kept informed of all strategies. However, we will have little if any, influence or control over the implementation of the patent strategy.

There is a substantial backlog of patent applications at the United States Patent and Trademark Office ("USPTO"). There can be no assurance that any patent applications relating to our products or methods will be issued as patents or, if issued, that the patents will not be challenged, invalidated or circumvented or that the rights granted thereunder will provide a competitive advantage. We may not be able to obtain patent rights on products, treatment methods or manufacturing processes that we may develop or to which we may obtain license or other rights. Even if we do obtain patents, rights under any issued patents may not provide us with sufficient protection for our product candidates or provide sufficient protection to afford us a commercial advantage against our competitors or their competitive products or processes. It is possible that no patents will be issued from any pending or future patent applications owned by us or licensed to us. Others may challenge, seek to invalidate, infringe or circumvent any patents we own or license, including the patents we have licensed from ADVA-Tec and Strategic Science and any other patents we may license in the future. Conversely, in the future we may be required to initiate litigation against third parties to enforce our intellectual property rights. The defense and prosecution of patent and intellectual property claims are both costly and time consuming, even if the outcome is favorable to us. Any adverse outcome could subject us to significant liabilities, require us to license disputed rights from others or require us to cease selling our future products.

In addition, many other organizations are engaged in research and product development efforts that may overlap with our products. Such organizations may currently have, or may obtain in the future, legally blocking proprietary rights, including patent rights, in one or more products or methods we are developing or considering for development. These rights may prevent us from commercializing technology, or they may require us to obtain a license from the organizations to use the technology. We may not be able to obtain any such licenses that may be required on reasonable financial terms, if at all, and we cannot be sure that the patents underlying any such licenses will be valid or enforceable. As with other companies in the pharmaceutical industry, we are subject to the risk that persons located in other countries will engage in development, marketing or sales activities of products that would infringe our intellectual property rights if such activities were conducted in the United States.

Our patents and intellectual property also may not afford protection against competitors with similar technology. We may not have identified all patents, published applications or published literature that affect our business either by blocking our ability to commercialize our product candidates, by preventing the patentability of our products or by covering the same or similar technologies that may affect our ability to market or license our product candidates. Many companies have encountered difficulties in protecting and defending their intellectual property rights in foreign jurisdictions. If we encounter such difficulties or are otherwise precluded from effectively protecting our intellectual property rights in either the United States or foreign jurisdictions, our business prospects could be substantially harmed. In addition, because of funding limitations and our limited cash resources, we may not be able to devote the resources that we might otherwise desire to prepare or pursue patent applications, either at all or in all jurisdictions in which we might desire to obtain patents, or to maintain already-issued patents.

The patents and the patent applications covering SST-6007 are limited to specific topical formulations, processes and uses of sildenafil, and our market opportunity may be limited by the lack of patent protection for the active ingredient itself and other formulations and delivery technology and systems that may be developed by competitors.

The active ingredient in our product candidate for FSAD, SST-6007, is sildenafil. Patent protection for this molecule has expired and generic products are available for male erectile dysfunction. As a result, a competitor that obtains the requisite regulatory approvals could offer products with the same active ingredient in a different formulation so long as the competitor does not infringe any process, use or formulation patents that we have developed.

Competitors may seek to develop and market competing formulations that may not be covered by our patents and patent applications. The commercial opportunity for SST-6007 could be significantly harmed if competitors are able to develop and commercialize alternative formulations of sildenafil.

We may become involved in patent litigation or other intellectual property proceedings relating to our future product approvals, which could result in liability for damages or delay or stop our development and commercialization efforts.

The pharmaceutical industry has been characterized by significant litigation and other proceedings regarding patents, patent applications, trademarks and other intellectual property rights. The situations in which we may become party to such litigation or proceedings may include any third parties initiating litigation claiming that our products infringe their patent or other intellectual property rights, or that one of our trademarks or trade names infringes the third party's trademark rights; in such case, we would need to defend against such proceedings. The costs of resolving any patent litigation or other intellectual property proceeding, even if resolved in our favor, could be substantial. Many of our potential competitors will be able to sustain the cost of such litigation and proceedings more effectively than us because of their substantially greater resources. Uncertainties resulting from the initiation and continuation of patent litigation or other intellectual property proceedings could have a material adverse effect on our ability to compete in the marketplace. Patent litigation and other intellectual property proceedings may also consume significant management time.

In the event that a competitor infringes upon our patent or other intellectual property rights, including any rights licensed by us, enforcing those rights may be costly, difficult and time-consuming. Even if successful, litigation to enforce our intellectual property rights or to defend our patents against challenge could be expensive and time-consuming and could divert our management's attention. We may not have sufficient resources to enforce our intellectual property rights or to defend our patent or other intellectual property rights against a challenge. If we were unsuccessful in enforcing and protecting our intellectual property rights and protecting our products, it could materially harm our business.

With respect to Ovaprene, ADVA-Tec has the right, in certain instances, to control the defense against any infringement litigation arising from the manufacture or development (but not the sale) of Ovaprene. While our license agreement with ADVA-Tec requires ADVA-Tec to indemnify us for certain losses arising from these claims, this indemnification may not be sufficient to adequately compensate us for any related losses or the potential loss of our ability to manufacture and develop Ovaprene.

With respect to SST-6007, we have the initial right to enforce the applicable licensed patents against infringers in the field of use where a third party is exploiting a topically applied pharmaceutical product that contains at least one of the same active pharmaceutical ingredients as a licensed product, and Strategic Science will provide us with reasonable assistance (excluding financial assistance), at our expense. We also have the initial right to defend any claim initiated by any third party alleging that a licensed product developed or commercialized under the SST license agreement has infringed any third party intellectual property rights. While the SST license agreement requires Strategic Science to indemnify us for certain losses arising from these claims, this indemnification may not be sufficient to adequately compensate us for any related losses or the potential loss of our ability to manufacture and develop SST-6007.

Our exclusive, in-license agreements covering the critical patents and related intellectual property related to Ovaprene and SST-6007 impose significant monetary obligations and other requirements that may adversely affect our ability to

execute our business plan. The termination of either of these in-license agreements could prevent us from developing and commercializing our drug candidates and may harm our business.

Our license agreements with ADVA-Tec and Strategic Science include intellectual property rights to Ovaprene and SST-6007, respectively. These agreements require us, as a condition to the maintenance of our license and other rights, to make milestone and royalty payments and satisfy certain performance obligations. Our obligations under these in-license agreements impose significant financial and logistical burdens upon our ability to carry out our business plan. Furthermore, if we do not meet such obligations in a timely manner, and, in the case of milestone payment requirements, if we were unable to obtain an extension of the deadlines for meeting such payment requirements, we could lose the rights to these proprietary technologies, which would have a material adverse effect on our business, financial condition and results of operations.

Further, there is no assurance that the existing ADVA-Tec and Strategic Science license agreements covering the rights related to Ovaprene and SST-6007, respectively, will not be terminated due to a material breach of the underlying agreements. With regards to Ovaprene, this would include a failure on our part to make milestone and royalty payments, our failure to obtain applicable approvals from governmental authorities, or the loss of rights to the underlying intellectual property by any such licensors. With regards to SST-6007, this would include a failure to assume responsibility for suspended development activities within the requisite period, our failure to use commercially reasonable efforts in performing development activities, or the failure on our part to make milestone and royalty payments. Moreover, because some of our rights to Ovaprene and SST-6007 are sublicensed pursuant to underlying agreements, there is no assurance that the existing license agreements covering the rights related to Ovaprene and SST-6007 will not be terminated due to termination of the underlying agreements, or due to the loss of rights to the underlying intellectual property by ADVA-Tec's or Strategic Science's licensors. There is no assurance that we will be able to renew or renegotiate license agreements on acceptable terms if our license agreements with ADVA-Tec or Strategic Science or the underlying agreements are terminated. We cannot guarantee that any license agreement will be enforceable. The termination these license agreements or our inability to enforce our rights under these license agreements would materially and adversely affect our ability to develop and commercialize Ovaprene and SST-6007.

Risks Related to Our Securities

The price of our common stock may be volatile and could subject us to securities litigation, including class-action.

The stock market in general, and the market for biopharmaceutical companies in particular, have experienced volatility that has often been unrelated to the operating performance of particular companies. The stocks of small cap companies in the biotechnology sector like ours tend to be highly volatile. We expect that the price of our common stock will be highly volatile for the next several years as we undertake studies and trials to obtain regulatory approval for our product candidates. The market price for our common stock may be influenced by many factors, including:

- the results of our efforts to discover, develop, acquire or in-license product candidates or products, if any;
- failure or discontinuation of any of our research programs;
- actual or anticipated results from, and any delays in, any future clinical trials, as well as results of regulatory reviews relating to the approval of any product candidates we may choose to develop;
- the level of expenses related to any product candidates that we may choose to develop or clinical development programs we may choose to pursue;
- commencement or termination of any collaboration or licensing arrangement;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures and capital commitments;
- additions or departures of key scientific or management personnel;
- variations in our financial results or those of companies that are perceived to be similar to us;
- new products, product candidates or new uses for existing products introduced or announced by our competitors, and the timing of these introductions or announcements;
- results of clinical trials of product candidates of our competitors;

- general economic and market conditions and other factors that may be unrelated to our operating performance or the operating performance of our competitors, including changes in market valuations of similar companies;
- regulatory or legal developments in the United States and other countries;
- changes in the structure of health care payment systems;
- conditions or trends in the biotechnology and biopharmaceutical industries;
- actual or anticipated changes in earnings estimates, development timelines or recommendations by securities analysts;
- announcement or expectation of additional financing efforts;
- sales of common stock by us or our stockholders in the future, as well as the overall trading volume of our common stock; and
- the other factors described in this "Risk Factors" section.

In the past, following periods of volatility in companies' stock prices, securities class-action litigation has often been instituted against such companies. Such litigation, if instituted against us, could result in substantial costs and diversion of management's attention and resources, which could materially and adversely affect our business and financial condition.

Our executive officers and directors and their affiliates own a significant percentage of our issued and outstanding common stock and are able to exercise significant influence over matters submitted to stockholders for approval.

As of March 13, 2018, our executive officers and directors and their affiliates beneficially owned approximately 28% of our outstanding common stock. As a result, if these stockholders were to choose to act together, they could exert a significant degree of influence over matters submitted to our stockholders for approval, as well as our management and affairs. For example, these persons, if they choose to act together, could have significant influence on the election of directors and approval of any merger, consolidation or sale of all or substantially all of our assets, including a transaction on terms that other stockholders may desire.

A significant portion of our total outstanding shares of common stock may be sold into the public market at any point, which could cause the market price of our common stock to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our common stock in the public market could occur at any time, either by us or our stockholders. For example, we sold an aggregate of 375,000 shares of our common stock in at-the-market offerings that closed in January and February 2018, and we sold 5.0 million shares of our common stock and warrants to purchase up to 3.5 million shares of our common stock in an underwritten public offering that closed in February 2018. Additionally, the Company granted the underwriters a 30-day option to purchase up to an additional 750,000 shares of common stock and warrants to purchase up to 525,000 shares of common stock directly from us at a price of $2.05 per common share and accompanying warrant. Should the underwriter elect to cover overallotments through open market purchases, then we would be required to issue additional warrants to the underwriter at a purchase price of $0.001 per warrant share. The overallotment option was exercised by Roth on February 15, 2018 to purchase 220,500 Warrant Shares at a purchase price of $0.001 per Warrant Share. These sales, or the perception in the market that we or holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. Our outstanding shares of common stock may be freely sold in the public market at any time to the extent permitted by Rules 144 and 701 under the Securities Act or to the extent such shares have already been registered under the Securities Act and are held by non-affiliates.

As of December 31, 2017, there were 539,896 shares of our common stock subject to outstanding options, 529,747 of which have been registered under the Securities Act on Form S-8. The shares so registered can be freely sold in the public market after being issued to the option holder upon exercise, except to the extent they are held by our affiliates, in which case such shares will become eligible for sale in the public market as permitted by Rule 144 under the Securities Act. Furthermore, as of December 31, 2017, there were 30,502 shares of our common stock subject to outstanding warrants to purchase common stock. To the extent these warrants are exercised, the shares underlying these warrants may be sold in the public market in accordance with Rule 144 under the Securities Act. As mentioned above, in February 2018, we sold warrants to purchase up to 3.7 million shares of our common stock in an underwritten public offering. To the extent these warrants are exercised, the shares underlying these warrants may be immediately sold in the public market. Moreover, holders of approximately 6.3 million shares of our common stock have registration rights that, if exercised, would require us to register the resale of their shares under the Securities Act.

The sale of our common stock through Wainwright may cause substantial dilution to our existing stockholders, and such sales, or the anticipation of such sales, may cause the price of our common stock to decline.

In January 2018, we entered into a common stock sales agreement with H.C. Wainwright & Co., LLC, or Wainwright, in connection with an "at the market" offering, or the Wainwright Offering, under which, from time to time, we may offer and sell up to an aggregate of $10.0 million of shares of our common stock. As of March 13, 2018, up to $8.9 million remained available for us to sell pursuant to the terms and conditions of the Wainwright Offering. Although we have the right to control whether we sell any shares, if at all, under the Wainwright Offering, and the timing and amount of sales of our shares in the Wainwright Offering, we are subject to certain restrictions, including, without limitation, (i) our inability to sell, during any 12-month period, securities having an aggregate market value of not more than one-third of our public float, pursuant to General Instruction I.B.6 to SEC Form S-3, and (ii) our inability to sell any of our securities until May 15, 2018, without prior written consent from Roth Capital Partners, LLC, pursuant to the terms of the underwritten offering we closed in February 2018. Accordingly, we may not be able to sell shares of our common stock through the Wainwright Offering when we desire. There can be no assurance that we will choose to sell additional stock under the Wainwright Offering, or if we choose to sell stock that we will be able to sell the remaining $8.9 million of common stock contemplated under the Wainwright Offering. Additionally, our sales of shares through the Wainwright Offering may result in substantial dilution to the interests of other holders of our common stock, and such sales, or the anticipation of such sales, may cause the trading price of our common stock to decline.

The exercise of our outstanding options and warrants may result in significant dilution to our stockholders.

As of December 31, 2017, we had issued and outstanding options exercisable into 539,896 shares of our common stock and warrants to purchase up to 30,502 shares of our common stock. We subsequently sold warrants to purchase up to 3.5 million shares of our common stock in an underwritten public offering that closed in February 2018, and the underwriter shortly thereafter exercised its overallotment option to purchase additional warrants to purchase 525,000 shares of our common stock, referred to collectively as the February Warrants. Exercise of our outstanding options and/or warrants may result in significant dilution to our then-existing stockholders.

The warrants we issued in February 2018 contain anti-dilution provisions that could prevent us from obtaining additional financing.

The February Warrants include price-based anti-dilution provisions. The exercise price of the February Warrants will be adjusted downward if we issue or sell (or are deemed to issue or sell) securities at a price that is less than the exercise price in effect immediately prior to such issuance or sale (or deemed issuance or sale), before the expiration of the term of the February Warrants. In that case, the new exercise price of the February Warrants would equal the price at which the new securities are issued or sold (or are deemed to have been issued or sold). In addition, if we issue, sell or enter into any agreement to issue or sell securities at a price which varies or may vary with the market price of the shares of our common stock, the holders of the February Warrants shall have the right to substitute such variable price for the exercise price of the February Warrants then in effect. We expect that over time we will need to obtain additional funding to successfully execute our current operating plan and to continue the development of our current product candidates. The above anti-dilution provisions may make it more difficult for us to obtain such additional financing because the holders of the February Warrants may elect to exercise the February Warrants if and when we issue securities at a price less than the exercise price of the February Warrants then in effect, which would result in substantial dilution to any new purchaser of our securities and likely decrease the value of our common stock. Unless we obtain additional financing that values our securities at a price equal to or greater than the exercise price of the February Warrants then in effect, any potential new purchaser of our securities may value our common stock in such a manner that takes into account the number of shares of our common stock issued and outstanding immediately following the exercise of all the February Warrants.

We may issue preferred stock with terms that could dilute the voting power or reduce the value of our common stock.

Our certificate of incorporation authorizes us to issue, without stockholder approval, one or more series of preferred stock having such designation, powers, privileges, preferences, including preferences over our common stock respecting dividends and distributions, terms of redemption and relative participation, optional, or other rights, if any, of the shares of each such series of preferred stock and any qualifications, limitations or restrictions thereof, as our Board of Directors may determine. The terms of one or more series of preferred stock could dilute the voting power or reduce the value of our common stock. For example, the repurchase or redemption rights or liquidation preferences we could assign to holders of preferred stock could affect the residual value of our common stock.

We are an "emerging growth company," and the reduced disclosure requirements applicable to emerging growth companies may make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and may remain an emerging growth company through 2019. For so long as we remain an emerging growth company, we will be permitted to 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:

- not being required to comply with the auditor attestation requirements in the assessment of its 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 stockholder approval of any golden parachute payments not previously approved.

We may choose to take advantage of some, but not all, of the available exemptions. We cannot predict whether investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and the price of our common stock may be more volatile.

In addition, the JOBS Act also provides that an emerging growth company may take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to utilize this exemption from new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

We do not anticipate paying any cash dividends on our capital stock in the foreseeable future; capital appreciation, if any, will be your sole source of gain as a holder of our common stock.

We have never declared or paid cash dividends on shares of our capital stock. We currently plan to retain all of our future earnings, if any, and all cash received from the proceeds of the offerings we closed in January and February 2018 and from the sale of our Dynamic Tumor Targeting™ Platform in July 2017 to finance the growth and development of our business. Accordingly, capital appreciation, if any, of our common stock will be the sole source of gain for our common stockholders for the foreseeable future.

There is no assurance that we will continue satisfying the listing requirements of the Nasdaq Capital Market.

Even though our common stock is listed on the Nasdaq Capital Market, we cannot assure you that we will be able to satisfy the ongoing listing requirements of the Nasdaq Capital Market. For example, there is no assurance that our common stock will continue to have a bid price of at least $1.00 per share, which is the minimum bid price under such continued listing requirements, or that we will be able to satisfy other quantitative continued listing requirements. If our common stock is de-listed from the Nasdaq Capital Market, our stockholders could incur material adverse consequences such as reduced liquidity for their securities and reduced market prices for their securities. Following such de-listing, we could encounter increased difficulty in issuing additional securities at an attractive price, or at all, in order to fund our operations.

Provisions in our certificate of incorporation, our by-laws or Delaware law might discourage, delay or prevent a change in control of the Company or changes in our management and, therefore, depress the trading price of our common stock.

Provisions in our certificate of incorporation, our bylaws or Delaware law may discourage, delay or prevent a merger, acquisition or other change in control that our stockholders may consider favorable, including transactions in which our stockholders might otherwise receive a premium for their shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions might frustrate or prevent any attempts by our stockholders to replace or remove the current

management by making it more difficult for stockholders to replace members of our board of directors. Among other things, these provisions:

- establish a classified board of directors such that all members of the board are not elected at one time;
- allow the authorized number of directors to be changed only by resolution of the board of directors;
- limit the manner in which stockholders can remove directors from the board;
- establish advance notice requirements for nominations for election to the board or for proposing matters that can be acted on at stockholder meetings;
- require that stockholder actions must be effected at a duly called stockholder meeting and prohibit actions by stockholders by written consent;
- limit who may call a special meeting of stockholders;
- authorize the board to issue preferred stock without stockholder approval, which could be used to institute a "poison pill" that would work to dilute the stock ownership of a potential hostile acquirer, effectively preventing acquisitions that have not been approved by the board; and
- require the approval of the holders of at least 75% of the votes that all stockholders would be entitled to cast to amend or repeal certain provisions of the charter or bylaws.

In addition, we are governed by Section 203 of the Delaware General Corporate Law, which prohibits a publicly-held Delaware corporation from engaging in a business combination with an interested stockholder, generally a person which together with its affiliates owns, or within the last three years has owned, 15% of its voting stock, for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. This could discourage, delay or prevent someone from acquiring or merging with us, whether or not it is desired by, or beneficial to, our stockholders.

If securities analysts do not publish research or reports about our business or if they publish negative evaluations of our stock, the price of our stock could decline.

The trading market for our common stock relies in part on the research and reports that industry or financial analysts publish about us or our business. We do not have any control over these analysts. If one or more of the analysts covering our business downgrade their evaluations of our stock, the price of our common stock could decline. In addition, if one or more of these analysts cease coverage or fail to regularly publish reports on our business, we could lose visibility in the financial markets, which in turn could cause our common stock price or trading volume to decline.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We sublease office space for our headquarters in La Jolla, California. We believe that our office space, which is in good operating condition, is suitable to meet our current needs.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may become involved in various claims and legal proceedings. Regardless of outcome, litigation and other legal proceedings can have an adverse impact on us because of defense and settlement costs, diversions of management resources and other factors. As of the date of filing this report, there is no material pending legal proceeding to which we are a party or to which any of our property is subject, and management is not aware of any contemplated proceeding by any governmental authority against the Company.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Since July 20, 2017, our common stock has traded on the Nasdaq Capital Market under the symbol "DARE." Prior to July 20, 2017, our common stock was traded on the Nasdaq Capital Market under the symbol "CERU." The following table sets forth the high and low sale prices for our common stock in each full quarterly period within the two most recent fiscal years. The per share prices have been adjusted to reflect the 1-for-10 reverse stock split effected on July 19, 2017.

	Common Stock Price	
	High	Low
Fiscal year ended December 31, 2017		
First Quarter	$ 35.80	$ 6.60
Second Quarter	$ 8.10	$ 3.23
Third Quarter	$ 12.40	$ 2.63
Fourth Quarter	$ 3.43	$ 2.11
Fiscal year ended December 31, 2016		
First Quarter	$ 36.20	$ 18.20
Second Quarter	$ 43.30	$ 19.40
Third Quarter	$ 33.70	$ 9.20
Fourth Quarter	$ 12.00	$ 6.30

Holders of Common Stock

As of March 13, 2018, we had approximately 47 stockholders of record.

Dividend Policy

We have never declared or paid any dividends on our common stock and do not anticipate declaring or paying any cash dividends on our common stock in the foreseeable future. We expect to retain all available funds and any future earnings to support operations and fund the development and growth of our business. Our board of directors will determine whether or not we pay and the amount of future dividends (including cash dividends), if any.

Recent Sales of Unregistered Securities

We did not sell any unregistered securities during the period covered by this report that were not previously reported in a Quarterly Report on Form 10-Q or Current Report on Form 8-K.

Issuer Purchases of Equity Securities

Not applicable.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

Under SEC rules and regulations, as a smaller reporting company we are not required to provide the information required by this item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our consolidated financial statements and the notes thereto included in Part II, Item 8 of this report. This following discussion includes forward-looking statements. See "PART 1—CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS," above. Forward-looking statements are not guarantees of future performance and our actual results may differ materially from those currently anticipated and from historical results depending upon a variety of factors, including, but not limited to, those discussed in Part I, Item 1A of this report under the heading "Risk Factors," which are incorporated herein by reference.

Overview

We are a clinical-stage biopharmaceutical company committed to the advancement of innovative products for women's reproductive health. We are driven by a mission to identify, develop and bring to market a diverse portfolio of differentiated therapies that expand treatment options, improve outcomes and facilitate convenience for women, primarily in the areas of contraception, vaginal health, sexual health and fertility. Our business strategy is to license or otherwise acquire the rights to differentiated product candidates in such areas, some of which have existing clinical proof-of-concept data, and to take those candidates through advanced stages of clinical development.

We have two product candidates in clinical development: Ovaprene, a monthly non-hormonal contraceptive, and SST-6007, a 5% Topical Sildenafil Citrate Cream for Female Sexual Arousal Disorder.

Since 2015, we have devoted significant resources to license and prepare for the development of Ovaprene, a non-hormonal contraceptive intravaginal ring intended to provide protection over multiple weeks of use, requiring no intervention at the time of intercourse. We acquired the worldwide rights to SST-6007, a potential treatment for FSAD, in February 2018. These two product candidates and any additional future candidates will require us to spend significant cash resources to fund planned clinical development activities. We incurred losses of $11,521,197 for the year ended December 31, 2017. At December 31, 2017, our accumulated deficit was $12,230,952. As of December 31, 2017, we had cash of approximately $7.6 million. As further discussed below, in at-the-market offerings and in an underwritten public offering that we closed in early 2018, we received net proceeds of approximately $10.44 million in the aggregate. We will need to raise substantial additional capital to continue to fund our operations. The amount and timing of future funding requirements will depend on many factors, including the pace and results of our clinical development efforts. If we do not raise capital as and when needed, we will not be able to continue development of our product candidates or we will be required to delay, scale back or eliminate some or all of our development programs or cease operations.

Recent Events

Capital Raising

On January 4, 2018, we entered into an at-the-market sales agreement with Wainwright pursuant to which we may sell up to an aggregate of $10 million worth of shares of our common stock from time to time in "at-the-market" offerings (as defined in Rule 415 promulgated under the Securities Act of 1933, as amended), including in sales made directly on Nasdaq, to or through a market maker or, subject to our prior approval, in negotiated transactions. We will pay an aggregate commission rate of up to 3% of the gross proceeds of any common stock sold under this agreement. In January and February 2018, we generated net proceeds of an aggregate of $1.04 million on sales of an aggregate of 375,000 shares of our common stock under this agreement.

On February 15, 2018, we closed an underwritten public offering of 5.0 million shares of our common stock and warrants to purchase up to 3.5 million shares of common stock. Each share of common stock was sold together with a warrant to purchase up to 0.70 of a share of common stock, at an exercise price of $3.00 per share. We received net proceeds of approximately $9.4 million. The warrants are exercisable immediately and for a period of five years from the date of issuance. The warrants include a price-based anti-dilution provision, which provides that the exercise price of the warrants will be adjusted downward if we issue or sell (or are deemed to issue or sell) securities at a price that is less than the exercise price in effect immediately prior to such issuance or sale (or deemed issuance or sale), before the expiration of the warrant term. In that case, the new exercise price of the warrants would equal the price at which the new securities are issued or sold (or are deemed to have been issued or sold). In addition, if we issue, sell or enter into any agreement to issue or sell securities at a price which varies or may vary with the market price of the shares of our common stock, the holders of the warrants shall have the right to substitute such variable price for the exercise price of the warrant then in effect. The warrants are exercisable only for cash, unless the registration statement of which the prospectus registering the offering was part is not effective for the issuance of the shares underlying the warrants, in which case the warrants may be exercised on a cashless

basis. We granted the underwriters a 30-day option to purchase up to an additional 750,000 shares of our common stock and warrants to purchase up to 525,000 shares of our common stock directly from us at a price of $2.05 per common share and accompanying warrant. Should the underwriter elect to cover overallotments through open market purchases, then we would be required to issue additional warrants to the underwriter at a purchase price of $0.001 per Warrant Share. A portion of the overallotment option was exercised by Roth on February 15, 2018 to purchase 220,500 Warrant Shares.

SST-6007 License and Collaboration Agreement

On February 11, 2018, we entered into the SST license agreement with Strategic Science. Under the SST license agreement, subject to our securing an investment of at least $10,000,000 by March 31, 2018, which we secured as a result of the underwritten public offering that closed on February 15, 2018 discussed above, we obtained a worldwide exclusive, royalty-bearing, sublicensable license to develop and commercialize in the SST field of use, the SST licensed products.

We agreed to use commercially reasonable efforts to develop the SST licensed products in the SST field of use in accordance with a development plan contained in the SST license agreement, and to commercialize the SST licensed products in the SST field of use.

Strategic Science will be eligible to receive tiered royalties based on percentages of annual net sales of the SST licensed products in the single digits to the mid-double digits, including customary provisions permitting royalty reductions and offset, and a percentage of sublicense revenue. We are responsible for all reasonable internal and external costs and expenses incurred by Strategic Science in its performance of the development activities it is required to perform under the SST license agreement. We are also required to make milestone payments to Strategic Science ranging from $500,000 to $150,000,000 contingent on achieving certain clinical, regulatory and commercial milestones.

See "ITEM 1. BUSINESS—Overview—Recent Events—SST-6007," above for additional information regarding the SST license agreement.

2017 Business Combination and Related Transactions

Until July 2017, our corporate name was Cerulean Pharma Inc. On July 19, 2017, Cerulean and Private Daré completed a transaction in which the Private Daré Stockholders sold their shares of capital stock of Private Daré to Cerulean in exchange for newly issued shares of Cerulean common stock. As a result of that transaction, Private Daré became a wholly owned subsidiary of Cerulean. As of immediately following the closing of that transaction: (i) the Private Daré Stockholders owned approximately 51% of the outstanding common stock of Cerulean, and (ii) the equity holders of Cerulean immediately prior to the closing, collectively, owned approximately 49% of the outstanding common stock of Cerulean. We refer to the transaction described above as the Cerulean/Private Daré stock purchase transaction.

On July 19, 2017, Cerulean also completed the sale of its proprietary Dynamic Tumor Targeting™ Platform to Novartis Institutes for BioMedical Research, Inc. for $6.0 million.

Following the closing of the Cerulean/Private Daré stock purchase transaction and the sale of the Dynamic Tumor Targeting Platform, Cerulean changed its name to Daré Bioscience, Inc., and we refocused our business in women's reproductive health.

On July 20, 2017, we effected a 1-for-10 reverse stock split of our common stock. All share and per share amounts of common stock, options and warrants in this report, including those amounts included in the accompanying consolidated financial statements, have been restated for all periods to give retroactive effect to the reverse stock split.

Financial Operations Overview

The results of our operations discussed in this section and the operations presented in the condensed consolidated financial statements and accompanying notes for the year ended December 31, 2017 represent our operations after giving effect to the Cerulean/Private Daré stock purchase transaction. The condensed consolidated financial statements and accompanying notes for the year ended December 31, 2016 represent the operations of Private Daré, making a comparison between periods difficult.

Revenue

To date we have not generated any revenue and do not expect to generate any revenue for the foreseeable future. In the future, we may generate revenue from a combination of product sales, license fees, milestone and research and development payments in connection with strategic partnerships, and royalties resulting from the sales of products developed under licenses of intellectual property. Any revenue generated is expected to fluctuate from quarter to quarter as a result of the timing and amounts of any such payments. Our ability to generate product revenue will depend on the successful clinical development of our product candidates, the receipt of regulatory approvals to market such products and

the eventual successful commercialization of product candidates. If we fail to complete the development of products candidates in a timely manner or to obtain regulatory approval for such product candidates, our ability to generate future revenue and our results of operations would be materially adversely affected.

Research and Development Expenses

Research and development expenses represent costs incurred to conduct research and development of our product candidates. We recognize all research and development expenses as they are incurred. Research and development expenses consist primarily of the following:

- expenses incurred under agreements with consultants and clinical trial sites that conduct research and development activities on our behalf;
- laboratory and vendor expenses related to the execution of clinical trials;
- contract manufacturing expenses, primarily for the production of clinical supplies; and
- internal costs that are associated with activities performed by our research and development organization and generally benefit multiple programs.

We expect research and development expenses to increase in the future as Ovaprene, SST-6007 and any other potential product candidates that we may choose to develop are advanced into and through clinical trials in the pursuit of regulatory approvals. Such activities will require a significant increase in investment in regulatory support, clinical supplies, inventory build-up related costs and the payment of success-based milestones. In addition, we continue to evaluate opportunities to acquire or in-license other product candidates and technologies, which may result in higher research and development expenses due to, among other factors, license fee and/or milestone payments.

The process of conducting clinical trials necessary to obtain regulatory approval is costly and time consuming. We may not obtain regulatory approval for any product candidate on a timely and cost-effective basis or at all. The probability of success of our product candidates may be affected by numerous factors, including clinical results and data, competition, intellectual property rights, manufacturing capability and commercial viability. As a result, we are unable to accurately determine the duration and completion costs of development projects or when and to what extent we will generate revenue from the commercialization of any of our product candidates.

General and Administrative Expense

General and administrative expenses consist of personnel costs, facility expenses, expenses for outside professional services, including legal, audit and accounting services. Personnel costs consist of salaries, benefits and stock-based compensation. Facility expenses consist of rent and other related costs. We expect to incur additional expenses as a result of additional costs associated with being a public company, including expenses related to compliance with SEC and Nasdaq rules and regulations, additional insurance, investor relations, and other administrative expenses and professional services.

Stock-Based Compensation

The compensation cost for all stock-based awards is measured at the grant date, based on the fair value of the award (determined using a Black-Scholes option pricing model), and is recognized as an expense over the requisite service period (generally the vesting period of the equity award). Determining the fair value of stock-based awards at the grant date requires significant estimates and judgments, including estimating the market price volatility of our common stock, future employee stock option exercise behavior and requisite service periods. Due to our limited history of stock option exercises we applied the simplified method prescribed by SEC Staff Accounting Bulletin 110, *Share-Based Payment: Certain Assumptions Used in Valuation Methods - Expected Term*, to estimate expected life.

Stock options or stock awards issued to non-employees who are not directors are recorded at their estimated fair value at the measurement date and are periodically revalued as the options vest and are recognized as expense over the related service period on a graded vesting method. Stock options or stock awards issued to non-employees who are not directors with performance conditions are measured and recognized when the performance is complete.

Refer to Note 8 to our consolidated financial statements included in this report for more information.

Goodwill

Goodwill is recorded when the consideration paid for an acquisition exceeds the fair value of the identified net

tangible and intangible assets of the acquired businesses. The allocation of purchase price for acquisitions require extensive use of accounting estimates and judgements to allocate the purchase price to the identifiable tangible and intangible assets acquired and liabilities assumed based on their respective fair values. Additionally, we must determine whether an acquired entity is considered a business or a set of net assets as a portion of the p urchase price can only be allocated to goodwill in a business combination. Goodwill and intangible assets deemed to have indefinite lives are not amortized but are subject to annual impairment tests. The amounts and useful lives assigned to intangible assets that have finite useful lives require the use of estimates and the exercise of judgement. These judgements can significantly affect our net operating results. Goodwill is considered to have an indefinite life and is carried at cost. As of December 31, 2017, we had goodwill of $5.19 million.

At least annually, as of December 31, or more frequently if indicators of impairment exist, we must complete an impairment test for goodwill. The impairment test is performed assuming that we operate in a single operating segment and reporting unit. A goodwill impairment is the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. When impaired, the carrying value of goodwill is written down to fair value.

Based upon our annual impairment test conducted as of December 31, 2017, the book value of our net assets exceeded the fair value of our company, determined based upon our average market capitalization during the month of December 2017 as well as a discounted cash flow method. As a result, we recorded a non-cash impairment charge of $7.49 million in the fourth quarter of 2017, reducing the carrying amount of our goodwill from $12.68 million to $5.19 million on our consolidated balance sheet as of December 31, 2017. See Note 2, "Acquisition."

We periodically re-evaluate the original assumptions and rationale utilized in the establishment for the carrying value and estimated lives of our long-lived assets. The criteria used for these evaluations include management's estimate of the asset's continuing ability to generate income from operations and positive cash flows in future periods as well as the strategic significance of any intangible assets in our business objectives. If assets are considered to be impaired, the impairment recognized is the amount by which the carrying value of the assets exceeds the fair value of the assets.

Recently Issued Accounting Standards

See Note 1 to our consolidated financial statements included in this report for a description of significant recent accounting standards. Other accounting standards have been issued or proposed by the Financial Accounting Standards Board or other standards-setting bodies that do not require adoption until a future date and are not expected to have a material impact on our consolidated financial statements upon adoption.

Results of Operations

Comparison of the Years ended December 31, 2017 and 2016

The following table summarizes our consolidated results of operations for the years ended December 31, 2017 and 2016, together with the changes in those items in dollars and as a percentage:

	Years Ended December 31,		Change	
	2017	2016	Dollar	%
Operating expenses:				
General and administrative	2,704,853	157,925	2,546,928	1613%
Research and development	984,749	72,666	912,083	1255%
License expenses	—	400,000	(400,000)	-100%
Impairment of goodwill	7,490,886	—	7,490,886	-100%
Loss from operations	(11,180,488)	(630,591)	(10,549,897)	1673%
Interest income (expense)	(322,629)	(42,096)	(280,533)	666%
Net loss	$ (11,503,117)	$ (672,687)	$ (10,830,430)	1610%

Revenues

We did not recognize any revenue for the years ended December 31, 2017 or 2016.

General and administrative

The increase of $2,546,928 in general and administrative expenses was primarily attributable to $963,380 of legal expense, accounting expense and other expenses incurred in connection with the Cerulean/Private Daré stock purchase transaction, an increase in personnel costs of $584,465 due to salaries expense in the current period, including bonuses, with no comparable expense in the prior year, an increase in legal and professional services of $693,661 related to the costs of being a public company, with no comparable expense in the prior year, and an increase in insurance costs of $187,684 related to directors and officers insurance policies, with no comparable expense in the prior year. Following the Cerulean/Private Daré stock purchase transaction and based upon the recommendation of our compensation consultant and approval of the Compensation Committee of our Board of Directors, we began paying our newly appointed executive officers compensation at a level in line with market rates for executive officers of early stage, pre-commercial biopharmaceutical public companies.

Research and development

The increase of $912,083 in research and development expenses is entirely related to an increase in Ovaprene development costs in the current period.

Goodwill impairment expense

We incurred an impairment loss of $7,490,886 for the year ended December 31, 2017 due to our determination that the carrying amount of our goodwill exceeded its estimated fair value at December 31, 2017. See Note 2, “Acquisition,” of the Notes to Consolidated Financial statements appearing in this report for a discussion of our goodwill analysis.

Interest income (expense)

The increase of $280,533 in interest expense was due to a $316,805 expense associated with the beneficial conversion feature associated with our convertible promissory notes, all of which were exchanged for shares of stock in connection with the Cerulean/Private Daré stock purchase transaction.

Liquidity and Capital Resources

We incurred losses of $11,521,197 and $672,687 for the years ended December 31, 2017 and 2016, respectively. At December 31, 2017, our accumulated deficit was $12,230,952. At December 31, 2017, we had working capital of $7,382,465 compared to negative working capital of $710,621 at December 31, 2016.

Plan of Operations and Future Funding Requirements

Our primary uses of capital are, and we expect will continue to be, staff-related expenses, clinical trial costs, contract manufacturing services, third-party clinical research and development services, legal and other regulatory expenses and general overhead costs.

We believe our existing balances of cash, including the $9.4 million of net proceeds we received from the underwritten public offering we completed in February 2018, the $1.04 million of net proceeds we received from the at-the-market offering we completed in February 2018, and the $6.0 million we received from the sale of the Dynamic Tumor Targeting™ Platform to Novartis Institutes for BioMedical Research, Inc. in July 2017, will be sufficient to satisfy our working capital needs and other liquidity requirements associated with our planned operations for at least the next 12 months. Based on our current plans and existing cash balances, we believe that our available funds will be sufficient for us to commence and complete a postcoital clinical trial of Ovaprene during this period and to advance SST-6007 into a Phase 2b clinical trial. We have based this estimate on assumptions that may prove to be wrong, and we could deplete our available cash resources sooner than we currently expect. We will need to raise additional capital through public or private equity financings, debt financings, strategic partnerships or other types of arrangements in order to successfully execute our current operating plan and to continue the development of our current product candidates, including a pivotal contraceptive study, and to support new licenses or other rights related to future portfolio candidates. There can be no assurance that we will be able to raise additional capital when needed. If we are unable to raise additional capital when needed, we will not be able to continue development of our product candidates or we will be required to delay, scale back or eliminate some or all of our development programs or cease operations.

Cash Flows

The following table shows a summary of our cash flows for the periods indicated:

	Years Ended December 31,	
	2017	2016
Net cash used in operating activities	$ (2,540,128)	$ (372,299)
Net cash provided by investing activities	9,918,440	—
Net cash provided by financing activities	155,000	197,500
Effect of exchange rate changes on cash and cash equivalent	(18,080)	—
Net increase (decrease) in cash	$ 7,515,232	$ (174,799)

Net Cash Used in Operating Activities

Cash used in operating activities during the year ended December 31, 2017 consisted of our net loss of $11,503,117 decreased by non-cash impairment of goodwill of $7,490,886, non-cash stock-based compensation expense of $15,832 and by non-cash interest expense of $316,805. Major components providing operating cash included a decrease of $662,059 in other receivables and an increase of $753,098 in accounts payable. Major components reducing operating cash included an increase of $193,495 in other current assets and an increase of $113,021 in prepaid expenses.

Cash used in operating activities during the year ended December 31, 2016 consisted of our net loss of $672,687 decreased by non-cash stock-based compensation expense of $9,013. Major components providing operating cash included a decrease of $250,000 in prepaid expenses and an increase of $42,098 of interest payable.

Net Cash Provided by Investing Activities

Cash provided by investing activities during the year ended December 31, 2017 consisted of the existing cash balances of Cerulean as of the closing of the Cerulean/Private Daré stock purchase transaction. No cash was provided by investing activities during the year ended December 31, 2016.

Net Cash Provided by Financing Activities

Cash provided by financing activities during the year ended December 31, 2017 consisted of the proceeds from the issuance of convertible promissory notes during 2017. Cash provided by financing activities during the year ended December 31, 2016 consisted of the proceeds from the issuance of convertible promissory notes during 2016.

Off-Balance Sheet Arrangements

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

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Under SEC rules and regulations, as a smaller reporting company we are not required to provide the information required by this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated financial statements required to be included in this Item 8 are set forth in a separate section of this report commencing on page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS & PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) that are designed to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives, and in reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

At the conclusion of the year ended December 31, 2017, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) were effective as of December 31, 2017 at the reasonable assurance level.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as such term is defined in Rule 13a-15(f) of the Exchange Act). Our management conducted an assessment of the effectiveness of our internal control over financial reporting based on the criteria set forth in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on our assessment, management has concluded that our internal control over financial reporting was effective as of December 31, 2017 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles in the United States.

As an emerging growth company, we are not required to provide, and this report does not include, an attestation report of our independent registered public accounting firm regarding our internal control over financial reporting.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the fiscal year ended December 31, 2017 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

We will hold our 2018 annual meeting of stockholders, or the 2018 Annual Meeting, on July 10, 2018. The exact time and location of the 2018 Annual Meeting will be specified in the Company's proxy statement for the 2018 Annual Meeting.

Because the Company's 2018 Annual Meeting has been changed by more than 30 calendar days from the date of the previous year's meeting, the Company is affirming the deadline for receipt of qualified stockholder proposals submitted pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, for inclusion in the Company's proxy materials for the 2018 Annual Meeting.

The deadline for the receipt of any qualified stockholder proposals submitted pursuant to Rule 14a-8 under the Exchange Act shall be not later than the close of business on May 30, 2018. Qualified stockholder proposals must be received by the Company at its principal executive offices located at 11119 N. Torrey Pines Rd, Suite 200, La Jolla, California 92037, addressed to the Corporate Secretary of the Company. All proposals must comply with applicable Delaware law, the rules and regulations promulgated by the Securities and Exchange Commission and the procedures set forth in the Company's Amended and Restated Bylaws.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item and not set forth below will be contained in the sections titled "Election of Directors," "Section 16(a) Beneficial Ownership Reporting Compliance," "Corporate Governance," "Meetings and Committees of the Board," and "Executive Officers" in our definitive proxy statement for our 2018 Annual Meeting of Stockholders (the Proxy Statement) to be filed with the SEC within 120 days after the conclusion of our fiscal year ended December 31, 2017 and is incorporated in this report by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item will be contained in the section titled "Executive and Director Compensation" in our Proxy Statement and is incorporated in this report by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item will be contained in the section titled "Security Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plan Information" in our Proxy Statement and is incorporated in this report by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this item will be contained in the sections titled "Certain Relationships and Related Transactions, and Director Independence" and "Corporate Governance" in our Proxy Statement and is incorporated in this report by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item will be contained in the section titled "Ratification of Appointment of Independent Registered Public Accounting Firm" in our Proxy Statement and is incorporated in this report by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this annual report on Form 10-K:

(1) Financial Statements

See "Index to Consolidated Financial Statements" on page F-1.

(2) Financial Statement Schedules

All financial statement schedules have been omitted, since the required information is not applicable or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and notes thereto included in this report.

(3) Exhibits

		Incorporated by Reference				
Exhibit Number	**Description of Exhibit**	**Form**	**File No.**	**Filing Date**	**Exhibit No.**	**Filed Herewith**
2.1§	Stock Purchase Agreement dated as of March 19, 2017, entered into by and among Cerulean Pharma Inc., Daré Bioscience, Inc. and equityholders of Daré Bioscience, Inc. named therein.	8-K	001-36395	3/20/2017	2.1	
2.2§	Asset Purchase Agreement dated as of March 19, 2017, entered into by and between Cerulean Pharma Inc. and Novartis Institutes for BioMedical Research, Inc.	8-K	001-36395	3/20/2017	2.2	
2.3§	Asset Purchase Agreement dated as of March 19, 2017, entered into by and between Cerulean Pharma Inc. and BlueLink Pharmaceuticals, Inc.	8-K	001-36395	3/20/2017	2.3	
3.1	Restated Certificate of Incorporation, as amended by Certificate of Amendment dated July 19, 2017 to effect the Reverse Stock Split effective July 20, 2017, and by Certificate of Amendment dated July 19, 2017 stating the name change effective July 20, 2017	10-Q	001-36395	08/14/2017	3.1	
3.2	Second Amended and Restated By-laws, effective July 20, 2017	8-K	001-36395	07/20/2017	3.3	
4.1	Specimen stock certificate evidencing the shares of common stock					X
4.2	Form of Warrant to Purchase Shares of Common Stock	8-K	001-36395	02/13/2018	4.1	

10.1Δ	License and Collaboration Agreement dated February 11, 2018 between Daré Bioscience, Inc., Strategic Science and Technologies-D, LLC and Strategic Science Technologies, LLC					X
10.2Δ	License Agreement dated March 19, 2017, between Daré Bioscience Operations, Inc. and ADVA-Tec, Inc.	10-Q	001-36395	11/13/2017	10.1	
10.3	Common Stock Sales Agreement, dated January 4, 2018, by and between Daré Bioscience, Inc. and H.C. Wainwright & Co., LLC.	8-K	001-36395	01/04/2018	10.1	
10.4	Registration Rights Agreement, dated October 14, 2016, between Cerulean Pharma Inc. and Aspire Capital Fund, LLC	8-K	001-36395	10/18/2016	99.2	
10.5	Warrant, dated January 8, 2015, issued to Hercules Technology Growth Capital, Inc.	8-K	001-36395	01/08/2015	4.1	
10.6	Second Series D Convertible Preferred Stock Purchase Agreement, dated November 30, 2012, as amended	S-1	333-194442	03/10/2014	10.13	
10.7	Preferred Stock Purchase Warrant to purchase shares of Series D Convertible Preferred Stock issued by the Registrant to Lighthouse Capital Partners VI, L.P., as amended	S-1	333-194442	03/10/2014	10.20	
10.8	Form of Stock Purchase Warrant of the Registrant to purchase shares of Series C Convertible Preferred Stock	S-1	333-194442	03/10/2014	10.19	
10.9	Warrant to purchase shares of Series B Convertible Preferred Stock issued by the Registrant to Silicon Valley Bank	S-1	333-194442	03/10/2014	10.18	
10.10(a)	Stock Option Agreement and Contingent Consideration Award Agreement, dated March 31, 2013, between Cerulean Pharma Inc. and Alan Crane	S-1	333-194442	03/10/2014	10.24	
10.10(b)	Amendment to the Stock Option Agreement and Termination of Contingent Consideration Award dated September 16, 2014, by and between Cerulean Pharma Inc. and Alan Crane	10-Q	001-36395	11/13/2014	10.4	

10.11(a)*	2014 Stock Incentive Plan	S-1/A	333-194442	03/31/2014	10.4	
10.11(b)*	Form of Incentive Stock Option Agreement under 2014 Stock Incentive Plan	S-1/A	333-194442	03/31/2014	10.5	
10.11(c)*	Form of Nonstatutory Stock Option Agreement under 2014 Stock Incentive Plan	S-1/A	333-194442	03/31/2014	10.6	
10.12	2014 Employee Stock Purchase Plan	S-1/A	333-194442	03/31/2014	10.26	
10.13(a)*	2007 Stock Incentive Plan	S-1	333-194442	03/10/2014	10.1	
10.13(b)*	Form of Incentive Stock Option Agreement under 2007 Stock Incentive Plan	S-1	333-194442	03/10/2014	10.2	
10.13(c)*	Form of Nonstatutory Stock Option Agreement under 2007 Stock Incentive Plan	S-1	333-194442	03/10/2014	10.3	
10.14(a)*	Amended and Restated 2015 Employee, Director and Consultant Equity Incentive Plan of Daré Bioscience Operations, Inc.					X
10.14(b)*	Form of Stock Option Agreement under the Amended and Restated 2015 Employee, Director and Consultant Equity Incentive Plan of Daré Bioscience Operations, Inc.					X
10.15(a)*	Employment Agreement by and between Daré Bioscience, Inc. and Sabrina Martucci Johnson dated as of August 15, 2017	8-K	001-36395	08/18/2017	10.1	
10.15(b)*	Employment Offer Letter by and between Daré Bioscience Operations, Inc. and Sabrina Martucci Johnson dated as of May 31, 2017	10-Q	001-36395	11/13/2017	10.2	
10.16(a)*	Employment Agreement by and between Daré Bioscience, Inc. and Lisa Walters-Hoffert dated as of August 15, 2017	8-K	001-36395	08/18/2017	10.2	
10.16(b)*	Employment Offer Letter by and between Daré Bioscience Operations, Inc. and Lisa Walters-Hoffert dated as of May 31, 2017	10-Q	001-36395	11/13/2017	10.3	
10.17(a)*	Employment Agreement by and between Daré Bioscience, Inc. and Mark Walters dated as of August 15, 2017	8-K	001-36395	08/18/2017	10.3	

10.17(b)*	Employment Offer Letter by and between Daré Bioscience Operations, Inc. and Mark Walters dated as of May 31, 2017	10-Q	001-36395	11/13/2017	10.4	
10.18(a)*	Retention Agreement dated as of March 19, 2017, entered into by and between Cerulean Pharma Inc. and Christopher D. T. Guiffre	8-K	001-36395	03/20/2017	10.4	
10.18(b)*	Amended and Restated Employment Agreement dated March 27, 2015 between Cerulean Pharma, Inc. and Christopher D.T. Guiffre	S-1/A	333-202917	03/30/2015	10.26	
10.19(a)*	Retention Agreement dated as of March 19, 2017, entered into by and between Cerulean Pharma Inc. and Adrian Senderowicz	8-K	001-36395	3/20/2017	10.5	
10.19(b)*	Employment Agreement, dated September 4, 2015, between Cerulean Pharma, Inc. and Adrian Senderowicz, M.D.	10-Q	001-36395	11/16/2015	10.3	
10.20*	Summary of non-employee director compensation policy	10-Q	001-36395	11/03/2016	10.2	
10.21	Form of indemnification agreement between the registrant and each of its executive officers and directors	S-1	333-194442	03/10/2014	10.16	
21.1	Subsidiaries of the registrant					X
23.1	Consent of Mayer Hoffman McCann P.C.					X
31.1	Certification of principal executive officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended					X
31.2	Certification of principal financial officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended					X
32.1#	Certification of principal executive officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2#	Certification of principal financial officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	XBRL Instance Document					X

101.SCH	XBRL Taxonomy Extension Schema Document	X
101.CAL	XBRL Taxonomy Calculation Linkbase Document	X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	X
101.LAB	XBRL Taxonomy Label Linkbase Document	X
101.PRE	XBRL Taxonomy Presentation Linkbase Document	X

§ All schedules (or similar attachments) have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S-K. The registrant will furnish copies of any schedules to the Securities and Exchange Commission upon request.

Δ Portions of this document are subject to a confidential treatment request submitted to the SEC

* Management contract or compensatory plan or arrangement

Furnished herewith. This certification is being furnished solely to accompany this report pursuant to U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated herein by reference into any filing of the registrant whether made before or after the date hereof, regardless of any general incorporation language in such filing.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Daré Bioscience, Inc.

By: /s/ SABRINA MARTUCCI JOHNSON

President and Chief Executive Officer

Date: March 28, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ SABRINA MARTUCCI JOHNSON Sabrina Martucci Johnson	President and Chief Executive Officer (Principal Executive Officer) and Director	March 28, 2018
/s/ LISA WALTERS-HOFFERT Lisa Walters-Hoffert	Chief Financial Officer and Secretary (Principal Financial and Accounting Officer)	March 28, 2018
/s/ ROGER L. HAWLEY Roger L. Hawley	Chairman of the Board and Director	March 28, 2018
/s/ SUSAN L. KELLEY Susan L. Kelley, M.D.	Director	March 28, 2018
/s/ WILLIAM H. RASTETTER William H. Rastetter, Ph.D.	Director	March 28, 2018
/s/ ROBIN STEELE Robin Steele, J.D., L.L.M.	Director	March 28, 2018

DARÉ BIOSCIENCE, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and
Stockholders of Daré Bioscience, Inc. and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of **Daré Bioscience, Inc.** and Subsidiaries ("the Company") as of December 31, 2017 and 2016, and the related consolidated statements of operations and comprehensive loss, stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2017, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Mayer Hoffman McCann P.C.

March 28, 2018
San Diego, California

We have served as the Company's auditor since 2017.

Daré Bioscience, Inc. and Subsidiaries
Consolidated Balance Sheets

	December 31,	
	2017	**2016**
Assets		
Current Assets		
Cash and cash equivalents	$ 7,559,846	$ 44,614
Other receivables	284,206	—
Prepaid expenses	311,571	—
Other current assets	193,495	—
Total current assets	8,349,118	44,614
Goodwill	5,187,519	—
Other non-current assets	723,191	—
Total assets	$ 14,259,828	$ 44,614
Liabilities and Stockholders' equity (deficit)		
Current Liabilities		
Accounts payable and accrued expenses	$ 966,653	$ 12,678
Convertible promissory notes	—	697,500
Interest payable	—	45,057
Total current liabilities	966,653	755,235
Deferred rent	392	—
Total liabilities	967,045	755,235
Commitments and contingencies (Note 9)		
Stockholders' equity (deficit)		
Preferred stock, $0.01 par value, 5,000,000 shares authorized		
None issued and outstanding	—	—
Common stock: $0.0001 par value, 120,000,000 shares authorized, 6,047,161 shares issued and outstanding at December 31, 2017 and $0.001 par value, 10,000,000 shares authorized, 910,000 shares issued and outstanding at December 31, 2016	605	91
Accumulated other comprehensive loss	(18,080)	—
Additional paid-in capital	25,541,210	17,123
Accumulated deficit	(12,230,952)	(727,835)
Total stockholders' equity (deficit)	13,292,783	(710,621)
Total liabilities and stockholders' equity (deficit)	$ 14,259,828	$ 44,614

See Accompanying Notes to Consolidated Financial Statements.

The operations presented in the Consolidated Financial Statements for the year ended December 31, 2017 represent the operations of the Company following the Stock Purchase Transaction. The Consolidated Financial Statements for the year ended December 31, 2016 represent the operations of the Company when it was private, making a comparison between periods difficult.

Daré Bioscience, Inc. and Subsidiaries
Consolidated Statements of Operations and Comprehensive Loss

	Years Ended December 31,	
	2017	2016
Operating expenses:		
General and administrative	$ 2,704,853	$ 157,925
Research and development expenses	984,749	72,666
License expenses	—	400,000
Impairment of goodwill	7,490,886	—
Total operating expenses	11,180,488	630,591
Loss from operations	(11,180,488)	(630,591)
Interest expense	(322,629)	(42,096)
Net loss	$ (11,503,117)	$ (672,687)
Foreign currency translation adjustments, net of tax	(18,080)	-
Comprehensive loss	$ (11,521,197)	$ (672,687)
Loss per common share - basic and diluted	$ (3.56)	$ (0.81)
Weighted average number of common shares outstanding:		
Basic	3,232,278	835,000
Diluted	3,232,278	835,000

See Accompanying Notes to Consolidated Financial Statements.

The operations presented in the Consolidated Financial Statements for the year ended December 31, 2017 represent the operations of the Company following the Stock Purchase Transaction. The Consolidated Financial Statements for the year ended December 31, 2016 represent the operations of the Company when it was private, making a comparison between periods difficult.

Daré Bioscience, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity (Deficit)

	Common stock		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total stockholders' equity (deficit)
	Shares	Amount				
Balance at December 31, 2015	**820,000**	**$ 82**	**$ 8,119**	**$ —**	**$ (55,148)**	**$ (46,947)**
Restricted stock-based compensation	90,000	9	8,991	—	—	9,000
Stock-based compensation	—	—	13	—	—	13
Net loss	—	—	—	—	(672,687)	(672,687)
Balance at December 31, 2016	**910,000**	**$ 91**	**$ 17,123**	**$ —**	**$ (727,835)**	**$ (710,621)**
Conversion of convertible notes into common stock	638,805	64	912,899	—	—	912,963
Beneficial conversion feature	—	—	316,805	—	—	316,805
Business combination upon merger	4,498,356	450	24,278,551	—	—	24,279,001
Stock-based compensation	—	—	15,832	—	—	15,832
Net loss	—	—	—	—	(11,503,117)	(11,503,117)
Foreign currency translation adjustments	—	—	—	(18,080)	—	(18,080)
Balance at December 31, 2017	**6,047,161**	**$ 605**	**$ 25,541,210**	**$ (18,080)**	**$ (12,230,952)**	**$ 13,292,783**

See Accompanying Notes to Consolidated Financial Statements.

The operations presented in the Consolidated Financial Statements for the year ended December 31, 2017 represent the operations of the Company following the Stock Purchase Transaction. The Consolidated Financial Statements for the year ended December 31, 2016 represent the operations of the Company when it was private, making a comparison between periods difficult.

Daré Bioscience, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

	Years Ended December 31,	
	2017	2016
Operating activities:		
Net loss	$ (11,503,117)	$ (672,687)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	15,832	9,013
Non-cash interest	316,805	—
Impairment of goodwill	7,490,886	—
Changes in operating assets and liabilities, net impact of acquisition:		
Other receivables	662,059	—
Prepaid expenses	(113,021)	250,000
Other current assets	(193,495)	—
Other non-current assets	(2,800)	—
Accounts payable and accrued expenses	753,098	(723)
Interest payable	33,233	42,098
Deferred rent	392	—
Net cash used in operating activities	(2,540,128)	(372,299)
Investing activities:		
Cash acquired through merger	9,918,440	—
Net cash provided by investing activities	9,918,440	—
Financing activities:		
Proceeds from issuance of convertible promissory notes	155,000	197,500
Net cash provided by financing activities	155,000	197,500
Effect of exchange rate changes on cash and cash equivalents	(18,080)	—
Net increase (decrease) in cash and cash equivalents	7,515,232	(174,799)
Cash and cash equivalents, beginning of year	44,614	219,413
Cash and cash equivalents, end of year	$ 7,559,846	$ 44,614
Non-cash transactions:		
Shares issued in connection of business combination and assumed equity awards	$ 24,279,001	$ —
Conversion of convertible notes into common stock	$ 912,962	$ —
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ 837	$ —

See Accompanying Notes to Consolidated Financial Statements.

The operations presented in the Consolidated Financial Statements for the year ended December 31, 2017 represent the operations of the Company following the Stock Purchase Transaction. The Consolidated Financial Statements for the year ended December 31, 2016 represent the operations of the Company when it was private, making a comparison between periods difficult.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and business

Daré Bioscience, Inc., or Daré or the Company, a Delaware corporation, was formed on November 28, 2005 and was previously known as Cerulean Pharma Inc. ("Cerulean"). The Company and its wholly owned subsidiaries, Daré Bioscience Operations, Inc. and Daré Bioscience Australia Pty LTD, operate in one segment and the Company's principal office is in La Jolla, California. The Company is a clinical-stage biopharmaceutical company committed to the advancement of innovative products for women's reproductive health. Daré is driven by a mission to identify, develop and bring to market a diverse portfolio of differentiated therapies that expand treatment options, improve outcomes and facilitate convenience for women, primarily in the areas of contraception, vaginal health, sexual health and fertility.

Daré's business strategy is to license or otherwise acquire the rights to differentiated reproductive health product candidates primarily in the areas of contraception, vaginal health, sexual health and fertility, some of which have existing clinical proof-of-concept data, and to take those candidates through advanced stages of clinical development. The Company has two clinical-stage assets in development, the first of which was licensed in July of 2017 and the second of which was brought into the Company's portfolio subsequent to December 31, 2017 in February of 2018.

On July 19, 2017, the Company completed its business combination with Daré Bioscience Operations, Inc., a privately held Delaware corporation, or Private Daré, in accordance with the terms of the Stock Purchase Agreement, dated as of March 19, 2017, or the Daré Stock Purchase Agreement, by and among the Company, Private Daré and the holders of capital stock and securities convertible into capital stock of Private Daré named therein, or the Private Daré Stockholders. Pursuant to the Daré Stock Purchase Agreement, each Private Daré Stockholder sold their shares of capital stock of Private Daré to the Company in exchange for newly issued shares of the Company's common stock and, as a result, Private Daré became a wholly owned subsidiary of the Company and the Private Daré Stockholders became majority shareholders of the Company. In accordance with the terms of the Daré Stock Purchase Agreement, the Company changed its name from "Cerulean Pharma Inc." to "Daré Bioscience, Inc."

The operations presented in the accompanying consolidated financial statements and in these notes for the year ended December 31, 2017 represent the operations of the Company after giving effect to the Cerulean/Private Daré stock purchase transaction. The consolidated financial statements and accompanying notes for the year ended December 31, 2016, represent the operations of Private Daré, making a comparison between periods difficult.

The Company's operations have consisted primarily of raising capital, product research and development, and initial market development.

The Company has not generated any revenue related to its primary business purpose to date and is subject to a number of risks common to other clinical-stage biopharmaceutical companies, including dependence on key individuals, competition from other companies, the need for development of commercially viable products, and the need to obtain adequate additional financing to fund the development of product candidates. The Company is also subject to a number of risks similar to other companies in the industry, including rapid technology change, regulatory approval of products, uncertainty of market acceptance of products, competition from substitute products and larger companies, compliance with government regulations, protection of proprietary technology, dependence on third parties, and product liability.

Basis of presentation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States, or U.S. GAAP as defined by the Financial Accounting Standards Board, or FASB.

Liquidity

As of December 31, 2017, the Company had an accumulated deficit of approximately $12.23 million. The Company also had negative cash flow from operations of approximately $2.54 million for the year ended December 31, 2017.

The Company had cash and cash equivalents of $7.56 million as of December 31, 2017. Subsequent to December 31, 2017, on January 4, 2018, the Company entered into an at-the-market issuance common stock sales agreement with H.C. Wainwright & Co., LLC, or the ATM Agreement which enables the Company to sell stock over time if certain conditions are met. The Company generated net proceeds of an aggregate of $1.04 million on sales of an aggregate of

375,000 shares of common stock under the ATM in January and February of 2018. Also, in February 2018, the Company announced the closing of a $10.25 million underwritten offering of common stock and warrants. Net of costs, the proceeds were approximately $9.4 million.

The Company will need additional capital over time to further fund the development of, and seek regulatory approvals for, its current product candidate and any future candidates it may license as well as to commercialize any approved products. If additional funding is not available on a timely basis or at adequate levels, the Company will need to reevaluate its operating plans. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company is currently focused primarily on the development and commercialization of innovative products in women's reproductive health and believes such activities will result in the Company's continued incurrence of significant research and development and other expenses related to those programs. If the clinical trials for any of the Company's product candidates fail or produce unsuccessful results and those product candidates do not gain regulatory approval, or if any of the Company's product candidates, if approved, fails to achieve market acceptance, the Company may never become profitable. Even if the Company achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. The Company intends to cover its future operating expenses through cash and cash equivalents on hand and through a combination of equity offerings, debt financings, government or other grant funding, collaborations and strategic alliances. The Company cannot be sure that additional financing will be available when needed or that, if available, financing will be obtained on terms favorable to the Company or its stockholders.

The Company estimates that based on its current business plan, net cash required to fund operating expenses will approximate $11 million for the year 2018. In addition, one of the Company's ongoing goals is to continue to identify and in-license new products and product candidates. In the event the Company acquires, licenses or develops any new products or product candidates, the amount required to fund operations for 2018 could increase, possibly materially. The Company expects that its net losses will continue for at least the next several years as it seeks to acquire, license or develop additional products and product candidates. Such losses may fluctuate, the fluctuations may be substantial, and the Company may never become profitable.

As of the date of this report, the Company believes its cash and cash equivalents are sufficient to fund operations for the next twelve months. However, the Company is actively continuing to evaluate various potential strategic transactions, including the potential acquisitions of products, product candidates and companies, and other alternatives. In order to acquire or develop additional products and product candidates, the Company will likely require additional capital over time.

Principles of Consolidation

The consolidated financial statements of the Company are stated in U.S. dollars and are prepared using U.S. GAAP. These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Daré Bioscience Operations, Inc., and Daré Bioscience Australia Pty LTD. The financial statements of the Company's wholly owned subsidiaries are recorded in their functional currency and translated into the reporting currency. The cumulative effect of changes in exchange rates between the foreign entity's functional currency and the reporting currency is reported in Accumulated Other Comprehensive Loss. All intercompany transactions and accounts have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements requires management 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, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the fair value of stock-based compensation, goodwill impairment and purchase accounting. Actual results could differ from those estimates and could materially affect the reported amounts of assets, liabilities and future operating results.

Risks and Uncertainties

The Company will require approvals from the U.S. Food and Drug Administration, or FDA, or foreign regulatory agencies prior to being able to sell any products. There can be no assurance that the Company's current or future product candidates will receive the necessary approvals. If the Company is denied regulatory approval of its product candidates, or

if approval is delayed, it may have a material adverse impact on the Company's business, results of operations and its financial position.

The Company is subject to a number of risks similar to other life science companies, including, but not limited to, risks related to the ability to license product candidates, successfully develop product candidates, raise additional capital, compete with other products, and protect proprietary technology. In the event the Company receives a regulatory approval for a product, the market's acceptance of the product remains a risk. As a result of these and other factors and the related uncertainties, there can be no assurance of the Company's future success.

Cash and Cash Equivalents

The Company considers cash and all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

Concentration of Credit Risk

The Company maintains cash balances at various financial institutions and such balances commonly exceed the $250,000 amount insured by the Federal Deposit Insurance Corporation. The Company also maintains money market funds at various financial institutions which are not federally insured although are invested primarily in the U.S. The Company has not experienced any losses in such accounts and management believes that the Company does not have significant risk with respect to such cash and cash equivalents.

Fair Value of Financial Instruments

U.S. generally accepted accounting principles define fair value as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date, and also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. The three-level hierarchy of valuation techniques established to measure fair value, is defined as follows:

- Level 1: inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of assets or liabilities.
- Level 3: unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Cash and cash equivalents of $7.56 million and $0.04 million measured at fair value as of December 31, 2017 and 2016, respectively, are classified within Level 1. Other receivables are financial assets with carrying values that approximate fair value due to the short-term nature of these assets. Accounts payable and accrued expenses and other liabilities are financial liabilities with carrying values that approximate fair value due to the short-term nature of these liabilities.

Business Combinations

Assets acquired and liabilities assumed as part of a business acquisition are recorded at their estimated fair value at the date of acquisition. The excess of the total purchase consideration over the fair value of assets acquired and liabilities assumed is recorded as goodwill. Determining fair value of identifiable assets, particularly intangibles, and liabilities acquired also requires management to make estimates, which are based on all available information and, in some cases, assumptions with respect to the timing and amount of future revenue and expenses associated with an asset.

Goodwill

The Company records goodwill based on the fair value of the assets acquired. In determining the fair value of the assets acquired, the Company utilizes extensive accounting estimates and judgments to allocate the purchase price to the fair value of the net tangible and intangible assets acquired. The Company uses the discounted cash flow method to estimate the value of intangible assets acquired.

Goodwill is not amortized but is tested annually for impairment or more frequently if impairment indicators exist. The Company adopted accounting guidance related to annual and interim goodwill impairment tests which allows the Company to first assess qualitative factors before performing a quantitative assessment of the fair value of a reporting unit. If it is determined on the basis of qualitative factors that the fair value of the reporting unit is more likely than not less than the carrying amount, a quantitative impairment test is required.

The Company recorded goodwill of $12.68 million related to the Stock Purchase Transaction on July 19, 2017. Based upon the Company's annual impairment test conducted as of December 31, 2017, the book value of its net assets exceeded the fair value of the Company, determined based upon the Company's average market capitalization during the month of December 2017 as well as a discounted cash flow method. As a result, the Company recorded a non-cash impairment charge of $7.49 million in the consolidated statement of operations and comprehensive loss for the year ended December 31, 2017 and reduced the carrying value of goodwill from $12.68 million to $5.19 million on our consolidated balance sheet as of December 31, 2017. See Note 2, "Acquisition."

Segment Reporting

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision-making group, in making decisions on how to allocate resources and assess performance. Its chief operating decision maker is the chief executive officer. The Company has one operating segment, women's reproductive health.

Research and Development Costs

Research and development expenses consist of expenses incurred in performing research and development activities, including compensation and benefits for full-time research and development employees, an allocation of facilities expenses, overhead expenses, manufacturing process-development and scale-up activities, clinical trial and related clinical trial manufacturing expenses, fees paid to clinical research organizations, or CRO's, and investigative sites, payments to universities under the Company's license agreements and other outside expenses. Research and development costs are expensed as incurred. Nonrefundable advance payments, if any, for goods and services used in research and development are recognized as an expense as the related goods are delivered or services are performed.

Net Loss Per Share

Basic net loss attributable to common stockholders per share is calculated by dividing the net loss by the weighted average number of shares of common stock outstanding during the period without consideration of common stock equivalents. Since the Company was in a loss position for all periods presented, diluted net loss per share is the same as basic net loss per share for all periods presented as the inclusion of all potential dilutive securities would have been antidilutive. All per share figures have been retroactively adjusted for the Reverse Stock Split.

At December 31, 2017, stock options exercisable into 526,338 shares of common stock were outstanding. There were 5,000 stock options outstanding at December 31, 2016. These securities were not included in the computation of diluted loss per share because they are antidilutive, but they could potentially dilute earnings (loss) per share in future years.

Stock-Based Compensation

The Company records compensation expense for all stock-based awards granted based on the fair value of the award at the time of grant. The Company uses the Black-Scholes Pricing Model to determine the fair value of each of the awards which considers factors such as expected term, volatility, risk free interest rate and dividend yield. Due to the limited history of the Company, the simplified method was utilized in order to determine the expected term of the awards. Additionally, the Company considered comparable companies in the industry which have available share price history to calculate the volatility. The Company compared U.S. Treasury Bills in determining the risk-free interest rate appropriate given the expected term. Finally, the Company has not established and has no plans to establish a dividend policy or declare any dividends in the foreseeable future and thus no dividend yield was determined necessary in the calculation of fair value.

Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with Accounting Standards Codification, or ASC 740, *Income Taxes*. Under this method deferred income taxes are provided to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to

affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company follows the two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not, that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount, which is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating the Company's tax positions and tax benefits, which may require periodic adjustments. At December 31, 2017, the Company did not record any liabilities for uncertain tax positions.

As the Company has significant operating losses, the Company does not expect to pay any income taxes for 2017 and as such no income tax provision has been made. Management evaluated the Company's tax positions and as of December 31, 2017 has approximately $846,000 of unrecognized benefits. The tax years 2014 to 2017 remain open to examination by federal and state taxing authorities while the statute for net operating losses generated remain open beginning in the year of utilization.

Indemnifications

As permitted under Delaware law, the Company has entered into indemnification agreements with its officers and directors that provide that the Company will indemnify the directors and officers for certain expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by such director or officer in any action or proceeding arising out of their service as a director and/or officer. The term of the indemnification is for the officer's or director's lifetime. During the year ended December 31, 2017, the Company did not experience any losses related to those indemnification obligations. The Company does not expect significant claims related to these indemnification obligations, and consequently, has concluded the fair value of the obligations is not material. Accordingly, as of December 31, 2017 and 2016, no amounts have been accrued related to such indemnification provisions.

Recent Accounting Pronouncements

On May 28, 2014, the FASB issued Accounting Standards Update, or ASU 2014-09, *Revenue From Contracts With Customers*, which impacts the way in which some entities recognize revenue for certain types of transactions. The new standard will become effective beginning in 2018 for public companies. As the Company does not currently have any contracts with customers, it does not experience any impact from this accounting standard.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The new standard is effective for public companies for fiscal years beginning after December 15, 2018, with early adoption permitted. The Company is currently assessing the potential impact of this accounting standard and the effect it might have on the consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, which intended to add or clarify guidance on the classification of certain cash receipts and payments on the statement of cash flows. The new guidance addresses cash flows related to the following: debt prepayment or extinguishment costs, settlement of zero-coupon bonds, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate-owned life insurance policies and bank-owned life insurance policies, distributions received from equity method investees, beneficial interest in securitization transactions, and the application of predominance principle to separately identifiable cash flows. The standard is effective for the Company for annual periods beginning after December 15, 2017, and interim periods within those fiscal years with early adoption permitted. The Company is currently evaluating the effect of this new guidance on its consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, which intended to clarify the definition of a business with the objective of adding guidance to assist entities

with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The standard is effective for Daré for annual periods beginning after December 15, 2017. The Company's early adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, *Simplifying the Test for Goodwill Impairment (Topic 350)*. The guidance removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. The guidance should be adopted on a prospective basis for the annual or any interim goodwill impairment tests beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company's adoption of this standard on September 30, 2017 did not have a material impact on the Company's consolidated financial statements.

In May 2017, the FASB issued ASU 2017-09, *Compensation – Stock Compensation (Topic 718): Scope of Modification Accounting*, which intended to provide clarity when to account for a change to the terms or conditions of a share-based payment award as a modification. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. The standard is effective for the Company for annual periods beginning on or after December 15, 2017 with early adoption permitted. The Company's early adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In July 2017, the FASB issued ASU 2017-11, *Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480), Derivatives and Hedging (Topic 815): (I) Accounting for Certain Financial Instruments with Down Round Features, (II) Replacement for the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception.* This update was issued to provide additional clarity related to accounting for certain financial instruments that have characteristics of both liabilities and equity. In particular, this update addresses freestanding and embedded financial instruments with down round features and whether they should be treated as a liability or equity instrument. Part II simply replaces the indefinite deferral for certain mandatorily redeemable non-controlling interests and mandatorily redeemable financial instruments of nonpublic entities contained within the ASC Topic 480 with a scope exception and does not impact the accounting for these mandatorily redeemable instruments. For public business entities, the amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. The Company is currently evaluating the impact that the adoption of the standard may have on its consolidated financial statements.

2. ACQUISITION

On July 19, 2017, Private Daré completed the Stock Purchase Transaction with Cerulean as discussed in Note 1. For purposes of clarity, prior to the Stock Purchase Transaction, the Company is sometimes referred to as Cerulean. The Stock Purchase Transaction was accounted for as a reverse merger under the acquisition method of accounting whereby Private Daré was considered to have acquired Cerulean for financial reporting purposes because immediately upon completion of the Stock Purchase Transaction, Private Daré stockholders held a majority of the voting interest of the combined company. Pursuant to business combination accounting, the Company applied the acquisition method, which requires the assets acquired and liabilities assumed be recorded at fair value with limited exceptions. The excess of the purchase price over the assets acquired and liabilities assumed represents goodwill. The goodwill is primarily attributable to the cash and cash equivalents at closing of approximately $9.92 million and the impact of the unamortized fair value of Cerulean stock options of $3.65 million. The unamortized fair value of the Cerulean stock options relates to an option modification approved on March 19, 2017 that provided for an acceleration of vesting upon a change in control event. Such modification became effective upon the completion of the Stock Purchase Transaction. Hence, the unamortized fair value of such options is deemed to be part of total purchase consideration and goodwill. Transaction costs associated with the Stock Purchase Transaction of $0.96 million are included in general and administrative expense. The total purchase price consideration of approximately $24.28 million represents the fair value of the shares of Cerulean stock issued in connection with the Stock Purchase Transaction and the unamortized fair value of Cerulean options assumed on July 19, 2017 which was allocated as follows:

Purchase Consideration		**(in thousands)**
Fair value of shares issued	$	20,625
Unamortized fair value of Cerulean options		3,654
Fair value of total consideration	$	24,279
Assets acquired and liabilities assumed		
Cash and cash equivalents	$	9,918
Prepaid expense and other current assets		1,915
Accounts payable		(233)
Total assets acquired and liabilities assumed		11,600
Goodwill	**$**	**12,679**

The final allocation of the purchase price is dependent on the finalization of the valuation of the fair value of assets acquired and liabilities assumed and may differ from the amounts included in these consolidated financial statements. The Company expects to complete the final allocation as soon as practical but no later than one year from the acquisition date.

The Company retrospectively recorded purchase price adjustments at the acquisition date to increase current liabilities by $23,609 and increase current assets by $225,778, resulting in a $202,169 reduction to the original goodwill amount of $12.88 million.

The Company tests its goodwill for impairment annually as of December 31 and between annual tests if it becomes aware of an event or change in circumstance that would indicate the carrying value may be impaired. The Company tested goodwill for impairment at the entity level because it operates on the basis of a single reporting unit. A goodwill impairment is the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. When impaired, the carrying value of goodwill is written down to fair value. Any excess of the reporting unit goodwill carrying value over the fair value is recognized as impairment loss.

The Company assessed goodwill at December 31, 2017 and determined there was an impairment and recognized an impairment charge of $7.49 million in the consolidated statement of operations and comprehensive loss for the year ended December 31, 2017 and reduced the carrying value of goodwill from $12.68 million to $5.19 million on its consolidated balance sheet as of December 31, 2017.

3. CONVERTIBLE PROMISSORY NOTES

On December 4, 2015, Private Daré issued convertible promissory notes in the aggregate principal amount of $500,000. The convertible promissory notes accrued interest at a rate of 8% per annum, and were convertible into Private Daré's next preferred stock financing round and were payable following the delivery of a demand by the holders of a majority in interest of the outstanding principal (including the outstanding principal amount under the convertible promissory notes issued on or after November 18, 2016, as described further below) on or after December 4, 2017. In the

event of a preferred stock financing, all outstanding principal and unpaid interest under the convertible promissory notes will convert into the shares of Private Daré's preferred stock issued in such financing at the price per share paid by the purchasers of such shares and an additional number of shares equal to 15% to 25% of the outstanding principal and unpaid interest based on the amount of time that has passed between the issuance of the convertible promissory notes and the closing of such preferred stock financing.

During the week of November 18, 2016, Private Daré issued additional convertible promissory notes, and amended the terms of certain of the outstanding convertible promissory notes held by persons who purchased additional convertible promissory notes on or after November 18, 2016. These convertible promissory notes (including the convertible promissory notes issued in December 2015 and amended in connection with the sale of additional convertible promissory notes in November 2016) accrued interest at a rate of 8% per annum, were convertible into Private Daré's next preferred stock financing round and were payable following the delivery of a demand by the holders of a majority in interest of the outstanding principal (including the outstanding principal amount under the convertible promissory notes issued in December 2015) on or after December 4, 2017. In the event of a preferred stock financing, all outstanding principal and unpaid interest under the convertible promissory notes (including the amended convertible promissory notes originally issued in December 2015) will convert into the shares of Private Daré's preferred stock issued in such financing at the price per share paid by the purchasers of such shares and an additional number of shares equal to 40% of the outstanding principal and unpaid interest. In addition, in the event of a change of control in which the convertible promissory notes (including the amended convertible promissory notes originally issued in December 2015) are repaid, the holders of such notes are entitled to receive 2 to 5 times the amount of the principal based on the proceeds payable to Private Daré or its stockholders in connection with such change of control. During the week of November 18, 2016, Private Daré issued convertible promissory notes in the aggregate principal amount of $197,500 and amended the terms of prior notes in the aggregate principal amount of $275,000 to correspond with the terms of such additional convertible promissory notes. On February 17, 2017, the Company issued an additional convertible promissory note in the principal amount of $100,000.

In connection with the Stock Purchase Transaction, described in further detail below, all outstanding convertible promissory notes issued prior to March 31, 2017 were further amended to provide that such notes will convert into shares of Private Daré common stock at a price per share of $0.18727 (subject to stock splits, combinations and similar events) effective as of immediately prior to the closing of the Stock Purchase Transaction and that the Stock Purchase Transaction would not constitute a change of control, including for purposes of the repayment premium described above. The number of shares of common stock issuable upon conversion of the convertible promissory notes issued prior to March 31, 2017 will be equal to the outstanding principal amount plus accrued interest through March 31, 2017 divided by $0.18727 (subject to stock splits, combinations and similar events) plus, in the case of the convertible promissory notes issued in December 2015, 25% of the principal amount divided by $0.18727 (subject to stock splits, combinations and similar events), and, in the case of the convertible promissory notes issued on or after November 18, 2016 (including certain of the amended convertible promissory notes originally issued in December 2015 the holders of which also participated in the November 2016 note offering) 40% of the principal amount divided by $0.18727 (subject to stock splits, combinations and similar events).

On July 19, 2017, Private Daré amended the notes to provide that (i) the interest on the notes be subject to compounding on an annual basis as of December 31 of each year and (ii) the number of shares of common stock issuable upon conversion of the convertible promissory notes issued prior to March 31, 2017 will be equal to the outstanding principal amount plus accrued interest through March 31, 2017 divided by $0.18727 (subject to stock splits, combinations and similar events) plus, in the case of the convertible promissory notes issued in December 2015, 25% of the principal amount plus accrued interest through March 31, 2017 divided by $0.18727 (subject to stock splits, combinations and similar events), and, in the case of the convertible promissory notes issued on or after November 18, 2016 (including certain of the amended convertible promissory notes originally issued in December 2015 the holders of which also participated in the November 2016 note offering), 40% of the principal amount plus accrued interest through March 31, 2017 divided by $0.18727 (subject to stock splits, combinations and similar events).

Between April 1, 2017 and June 6, 2017, Private Daré issued additional convertible promissory notes in the aggregate principal amount of $55,000 pursuant to a new note purchase agreement. One note in the principal amount of $20,000 was issued on May 31, 2017 and two notes in the aggregate principal amount of $35,000 were issued during the first week of June. The new note purchase agreement provided for one or more additional closings through the earlier to occur of September 28, 2017 and the date on which the Company's stockholders approve the Stock Purchase Transaction, and limited the aggregate principal amount of the convertible promissory notes issued thereunder to $2.0 million. The convertible promissory notes issued pursuant to the May 31, 2017 note purchase agreement bear an annual interest rate of 8% and automatically converted immediately prior to closing of the transaction into the number of shares of Private Daré common stock equal to 120% of the original principal amount of each such note divided by $0.38. The interest on such

notes did not convert into shares of Private Daré's common stock. In addition, the holders of such notes issued pursuant to the new note purchase agreement were entitled to convert the value of any then outstanding notes plus unpaid and accrued interest plus an additional 20% of the principal amount of their notes into Qualified and Non-Qualified Equity Financings (with such terms having the same meaning as in the December 2015 note purchase agreement) at the price paid by investors in the Qualified and Non-Qualified Equity Financings. Each purchaser of notes pursuant to the new note purchase agreement also executed and delivered a counterpart signature page to the Stock Purchase Agreement.

Immediately prior to the closing of the Stock Purchase Transaction, all of the convertible promissory notes of Private Daré, in aggregate principal of, and accrued interest on, were converted into shares of common stock of Private Daré and all of the outstanding shares of common stock of Private Daré were exchanged for shares of common stock of the Company pursuant to the exchange ratio defined in the Stock Purchase Agreement. As a result of the conversion, the Company recognized an expense of $316,805 relating to the beneficial conversion feature present in each of the note agreements.

4. OTHER NON-CURRENT ASSETS

Other non-current assets consisted of the following:

	As of December 31,	
	2017	2016
Prepaid insurance, long-term portion	720,391	—
Deposits	2,800	12,678
Total other non-current assets	$ 723,191	$ 12,678

5. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following:

	As of December 31,	
	2017	2016
Accounts payable	$ 308,219	$ —
Accrued compensation and benefits	316,024	—
Accrued legal and professional	259,600	12,678
Other accrued expenses	82,810	—
Total accrued expenses	$ 966,653	$ 12,678

6. INCOME TAXES

The components of loss from continuing operations before provision for income taxes consists of the following (in thousands):

	Years Ended December 31,	
	2017	2016
Domestic	$ 11,503	$ 673
Foreign	18	-
Loss before taxes	$ 11,521	$ 673

The difference between the provision for income taxes (benefit) and the amount computed by applying the U.S. federal income tax rate for the years ended December 31, 2017 and 2016 are as follows

	Years Ended December 31,	
	2017	2016
Federal income tax expense at statutory rate	34.0%	34.0%
State income tax, net of federal benefit	1.3%	5.8%
Permanent differences	(2.8%)	0.0%
Research and development credit	1.9%	0.0%
Stock compensation	(3.4%)	0.0%
Federal rate reduction under tax reform	(204.7%)	0.0%
Goodwill impairment	(22.1%)	0.0%
Other	0.0%	0.0%
Change in valuation allowance	195.8%	(39.8%)
Effective income tax rate	0.0%	0.0%

The major components of the Company's deferred tax assets as of December 31, 2017 and 2016 are shown below (in thousands).

	2017	2016
Net operating loss carryforwards	$ 32,412	$ 290
Research and development credit carryforwards	3,102	—
Capitalized research and development costs	15,176	—
Other amortizable costs	3,377	—
Stock compensation	1,877	—
Total deferred tax assets	55,944	290
Valuation allowance	(55,944)	(290)
Net deferred tax assets	$ —	$ —

The Company has evaluated the positive and negative evidence bearing upon the realizability of its deferred tax assets. Under applicable accounting standards, management has considered the Company's history of losses and concluded that it is more likely than not the Company will not recognize the benefits of federal and state deferred tax assets. Accordingly, a valuation allowance of $55.9 million and $290,000 was established at December 31, 2017 and 2016 respectively, to offset the net deferred tax assets. When and if management determines that it is more likely than not that the Company will be able to utilize the deferred tax assets prior to their expiration, the valuation allowance may be reduced or eliminated. The increase in valuation allowance to $55.9 million for the year ending December 31, 2017 is primarily related to acquired deferred tax assets in the transaction with Cerulean Pharma Inc, offset by a reduction in deferred tax assets revalued at the reduced federal tax rate under the U.S. Tax Cuts and Jobs Act enacted in December of 2017. The increase in valuation of approximately $141,000 for the year ending December 31, 2016 is primarily related to an increase in net operating losses generated during the year.

The Company has U.S. federal net operation loss, or NOL, carryforwards available at December 31, 2017 of approximately $122.5 million (2016 – $700,000) that will begin to expire in 2027. The Company has state net operating loss carryforwards of $102.7 million (2016 – $700,000) that will begin to expire in 2030. The Company has U.S. federal research credit carryforwards available at December 31, 2017 of approximately $2.5 million (2016 – $0) that will begin to expire in 2027. The Company has state research credits of $1.6 million (2016 – $0) that will begin to expire in 2022. The difference between federal and state net operating loss carryforwards is primarily due to previously expired state carryforwards.

Utilization of the net operating loss and research and development credit carryforwards may be subject to a substantial annual limitation under Section 382 of the Internal Revenue Code of 1986 due to ownership change limitations that have occurred previously or that could occur in the future. These ownership changes may limit the amount of net operating loss and research and development credit carryforwards that can be utilized annually to offset future taxable income and tax, respectively. The Company has not yet completed an evaluation of ownership changes. To the extent an ownership change occurs, the net operating loss, credit carryforwards and other deferred tax assets may be subject to limitations.

On December 22, 2017, President Trump signed into law the "Tax Cuts and Jobs Act," or TCJA, which significantly reforms the Internal Revenue Code of 1986, as amended. The TCJA, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest and net operating loss carryforwards, allows for the expensing of capital expenditures, and puts into effect the migration from a "worldwide" system of taxation to a territorial system.

The TCJA permanently lowers the corporate federal income tax rate to 21% from the existing maximum rate of 35%, effective for tax years including or commencing on January 1, 2018. As a result of the reduction of the corporate federal income tax rate to 21%, U.S. GAAP requires companies to revalue their deferred tax assets and deferred tax liabilities as of the date of enactment, with the resulting tax effects accounted for in the reporting period of enactment. This revaluation resulted in a provision of $23.6 million to income tax expense in continuing operations and a corresponding reduction of the Company's valuation allowance. As a result of the offsetting valuation allowance, there is no impact to the Company's income statement for the year ended December 31, 2017 from the reduction in federal income tax rates. The Company's preliminary estimate of the TCJA and the remeasurement of its deferred tax assets and liabilities is subject to the finalization of management's analysis related to certain matters, such as developing interpretations of the provisions of the TCJA, changes to certain estimates and the filing of its tax returns. U.S. Treasury regulations, administrative interpretations or court decisions interpreting TCJA may require further adjustments and changes to the Company's estimates. The final determination of TCJA and the remeasurement of the Company's deferred tax assets and liabilities will be completed as additional information becomes available, but no later than one year from the enactment of the TCJA.

A reconciliation of the beginning and ending amount of uncertain tax benefits is as follows:

	Years Ended December 31,	
	2017	2016
Beginning uncertain tax benefits	$ —	$ —
Current year - increases	65	—
Current year - purchase accounting increases	781	—
Ending uncertain tax benefits	$ 846	$ —

Included in the balance of uncertain tax benefits at December 31, 2017 are $846,000 of tax benefits that, if recognized, would impact the effective tax rate. We anticipate that no material amounts of unrecognized tax benefits will be settled within 12 months of the reporting date.

The Company's policy is to record estimated interest and penalties related to uncertain tax benefits as income tax expense. As of December 31, 2017, and 2016, the Company had no accrued interest or penalties recorded related to uncertain tax positions.

The tax years 2014 through 2017 remain open to examination by major taxing jurisdictions to which the Company is subject, which are primarily in the U.S. The statute of limitations for U.S. net operating losses utilized in future years will remain open beginning in the year of utilization.

No additional provision has been made for U.S. income taxes related to undistributed foreign earnings of the Company's wholly owned Australian subsidiary or for unrecognized deferred tax liabilities for temporary differences related to investments in subsidiaries. As such, earnings are expected to be permanently reinvested, the investments are permanent in duration, or the Company has estimated that no additional tax liability will arise as a result of the distribution of such earnings. A liability could arise if amounts are distributed by the subsidiary or if the subsidiary is ultimately disposed. It is not practical to estimate the additional income taxes, if any, related to permanently reinvested earnings. There are no unremitted earnings as of December 31, 2017.

7. STOCKHOLDERS' EQUITY (DEFICIT)

Common Stock

On July 20, 2017, we effected a 1-for-10 reverse stock split of our common stock. All share and per share amounts of common stock, options and warrants in this report, including those amounts included in the accompanying consolidated financial statements, have been restated for all periods to give retroactive effect to the reverse stock split.

The authorized capital of the Company consists of 120,000,000 shares of common stock with a par value of $0.0001 and 5,000,000 shares of preferred stock with a par value of $0.01 per share at December 31, 2017. The issued and outstanding common stock of the Company consisted of 6,047,161 shares with a par value of $0.0001 and 910,000 shares with a par value of $0.001 as of December 31, 2017 and 2016, respectively. There were no shares of preferred stock outstanding as of December 31, 2017 or 2016.

Common Stock Reserved for Future Issuance

The following table summarizes common stock reserved for future issuance at December 31, 2017 and 2016:

	As of December 31,	
	2017	2016
Common stock reserved for issuance upon exercise of warrants outstanding	30,502	30,502
Common stock reserved for issuance upon exercise of options outstanding	539,896	5,000
Common stock reserved for future equity awards (under the 2014 Plan)	46,479	85,309
Total	616,877	120,811

8. STOCK-BASED COMPENSATION

The 2015 Employee, Director and Consultant Equity Incentive Plan

Prior to the Stock Purchase Transaction, the 2015 Employee, Director and Consultant Equity Incentive Plan of Private Daré, or the 2015 Plan, governed the issuance of incentive stock options, non-qualified stock options, stock grants and other stock-based awards to individuals who were then employees, officers, non-employee directors or consultants of Private Daré. Options granted under the 2015 Plan have terms of ten years from the date of grant unless earlier terminated and generally vest over a three-year period. Upon closing of the Stock Purchase Transaction, the 2015 Plan was assumed by the Company and each outstanding option to acquire stock of Private Daré that was not exercised prior to the closing of the Stock Purchase Transaction was assumed on the same terms and conditions as were applicable under the 2015 Plan, and became an option to acquire such number of shares of the Company's common stock as was equal to the number of Private Daré shares subject to such unexercised option multiplied by the exchange ratio defined in the Stock Purchase Agreement, at a correspondingly adjusted exercise price.

There were no options granted under the 2015 Plan during the years ended December 31, 2017 and December 31, 2016, and effective as of July 19, 2017 following closing of the Stock Purchase Transaction, no further options may be granted under the 2015 Plan.

The exercise price of the 5,000 options granted for the year ended December 31, 2015 was equal to the estimated fair value of the common stock of Private Daré on the date of grant. On July 19, 2017, these options were assumed by the Company and were replaced with an option to purchase 10,149 shares of the Company's common stock (after giving effect to the adjustments for the Stock Purchase Transaction and Reverse Stock Split), all of which were outstanding as of December 31, 2017.

Restricted Stock

Private Daré issued 900,000 and 200,000 shares of fully vested restricted stock to non-employees under the 2015 Plan during the year ended December 31, 2016 and December 31, 2015, respectively. On July 19, 2017, these shares were assumed by the Company and were replaced with 223,295 restricted shares of the Company's common stock (after giving effect to the adjustments for the Stock Purchase Transaction and Reverse Stock Split), all of which were outstanding as of December 31, 2017.

During the year ended December 31, 2017, the Company did not issue any shares of restricted stock to employees or non-employees under the 2015 Plan.

2014 Employee Stock Purchase Plan

In March 2014, the Company's board of directors adopted, and its stockholders approved the 2014 Employee Stock Purchase Plan, or the ESPP, which became effective in April 2014. The ESPP permits eligible employees to enroll in a six-month offering period whereby participants may purchase shares of the Company's common stock, through payroll deductions, at a price equal to 85% of the closing price of the common stock on the first day of the offering period or the last day of the offering period, whichever is lower. Purchase dates under the ESPP occur on or about June 30 and December 31 each year. The board of directors determined not to initiate a new offering period beginning January 1, 2017. The stock-based compensation expense related to the ESPP for the year ended December 31, 2016 was $24,000. There was no stock-based compensation related to the ESPP for the year ended December 31, 2017.

2014 Stock Incentive Plan

Options granted under the Company's 2014 Stock Incentive Plan, or the 2014 Plan or Current Plan, have terms of no more than ten years from the date of grant unless earlier terminated. A total of 240,000 shares of common stock were initially reserved for issuance under the Current Plan. In addition, "returning shares" that may become available from time to time are added back to the plan. "Returning shares" are shares that are subject to outstanding awards granted under the Current Plan that expire or terminate prior to exercise or settlement, are forfeited because of failure to vest, are repurchased, or are withheld to satisfy tax withholding or purchase price obligations in connection with such awards. At December 31, 2017, 46,479 shares of Common Stock are reserved for future issuance under the 2014 Stock Incentive Plan.

The Company's board of directors approved two modifications to the stock options issued under the 2014 Plan to participants who were providing services to the Company as of March 19, 2017. The Company extended the exercise period for such stock options to two years beyond such participant's termination date, unless the original option terms provided for a longer exercise period and provided for the acceleration of vesting for such stock options upon a change in control event. Modifications to the existing option terms resulted in unamortized fair value expense of approximately $3.7 million and was recorded as part of the total consideration in the Stock Purchase Transaction and discussed in Note 2.

As of December 31, 2017, there were stock options outstanding to purchase up to 519,572 shares of the Company's common stock that were granted under the 2014 Plan.

Stock Option Activity

Together with the Private Daré options assumed in connection with the Stock Purchase Transaction, the Company had options to purchase 539,896 shares of common stock outstanding as of December 31, 2017.

A summary of stock option activity with regards to the 2015 Plan and the Current Plan, and related information for the year ended December 31, 2017 is set forth in the table below. The exercise price of all options granted during the years ended December 31, 2017 and 2016 was equal to the market value of the Company's common stock on the date of grant. As of December 31, 2017, $41,325 represents unamortized stock-based compensation expense which will be amortized over the weighted average period of 2.1 years.

	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2015	5,000	$ 0.01		
Granted	—	—		
Exercised	—	—		
Forfeited	—	—		
Outstanding at December 31, 2016	5,000	$ 0.01		
Granted	565,372	32.90		
Exercised	—	—		
Forfeited	(30,476)	54.25		
Outstanding at December 31, 2017	539,896	$ 31.40	8.0	$ 21,861
Options exercisable at December 31, 2017	526,338	$ 32.10	7.9	$ 14,574
Options vested and expected to vest at December 31, 2017	539,896	$ 31.40	8.0	$ 21,861

Compensation Expense

The Company has recorded stock-based compensation expense of $15,832 and $9,013 related to the issuance of stock option awards to employees for the year ended December 31, 2017 and 2016.

The assumptions used in the Black-Scholes option-pricing model for stock options granted to employees and to non-employee directors in respect of board services during the year ended December 31, 2017 is as follows:

	2017
Expected life in years	5.4
Risk-free interest rate	1.85%
Expected volatility	72%
Forfeiture rate	—
Dividend yield	0.0%
Weighted-average fair value of options granted	$ 4.46

No stock options were granted during the year ended December 31, 2016.

Restricted Stock After the Stock Purchase Transaction

The 3.14 million shares of common stock issued in connection with the Stock Purchase Transaction to the shareholders of Private Daré have not been registered with the SEC and may only be sold if registered under the Securities Act of 1933, as amended, or pursuant to an exemption from the SEC's registration requirements. These became eligible for sale pursuant to Rule 144 beginning six months after the closing date of the Stock Purchase Transaction.

Common Stock Warrants

No warrants were exercised during the year ended December 31, 2017. The following table summarizes the outstanding warrants to purchase shares of the Company's common stock as of December 31, 2017:

Shares Underlying Outstanding Warrants		Exercise Price	Expiration Date
169	$	17.70	August 8, 2018
2,906	$	12.04	December 1, 2021
3,737	$	12.04	December 6, 2021
17,190	$	6.05	January 8, 2020
6,500	$	1.00	April 4, 2026
30,502			

9. COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Company entered into a lease for office space the term of which commenced on January 1, 2017 that provided for termination by either party upon 30 days' notice. In July 2017, the Company provided notice of termination of this lease.

The Company entered into a sublease on July 27, 2017, which provides facilities space as well as other administrative services for a monthly fee of $5,651 that increases 3% annually. The term of the sublease commenced on August 1, 2017 and expires on June 30, 2019. The Company may terminate the sublease by providing 30 days' written notice.

Legal Proceedings

From time to time, the Company may be involved in various claims arising in the normal course of business. Management is not aware of any material claims, disputes or unsettled matters that would have a material adverse effect on the Company's results of operations, liquidity or financial position that the Company has not adequately provided for in the accompanying consolidated financial statements.

Risk Management

The Company maintains various forms of insurance that the Company's management believes are adequate to reduce the exposure of these risks to an acceptable level.

Employment Agreements

Certain executive officers are entitled to payments if they are terminated without cause or as a result of a change in control of the Company. Upon termination without cause, and not as a result of death or disability, each officer is entitled to receive a payment of an amount equal to six to twelve months of base salary and to receive continuing health benefits coverage for periods ranging between six to twelve months following the termination of employment or until such officer is covered under a separate plan from another employer. Upon termination other than for cause or for good reason within three months prior to or twelve months following a change in control of the Company, each officer will be entitled to receive a payment of an amount equal to nine to eighteen months of base salary and target bonus and to receive continuing health benefits coverage for periods ranging between nine to eighteen months following the termination of employment. In addition, upon a change in control of the Company, each officer's outstanding unvested options will fully vest and accelerate subject to the conditions outlined in such officer's employment agreement.

License and Research Agreements

ADVA-Tec

The Company entered into a license agreement with ADVA-Tec, Inc., or the ADVA-Tec Agreement under which it was granted an exclusive right to develop and commercialize Ovaprene™ for human contraceptive use worldwide. That license agreement became effective once the Company secured the initial funding required in accordance with its terms. ADVA-Tec and its affiliates own issued patents or patent applications covering Ovaprene, and control proprietary trade secrets

covering the manufacture of Ovaprene. As of the date of these consolidated financial statements, this patent portfolio includes 12 issued patents worldwide, along with 8 patent applications, all of which in accordance with the terms of the ADVA-Tec Agreement are exclusively licensed to the Company for the human contraceptive use of Ovaprene. The Company also has a right of first refusal to license these patents and patent applications for purposes of additional indications for Ovaprene. Under the ADVA-Tec Agreement, ADVA-Tec will conduct certain research and development work as necessary to allow the Company to seek a Premarket Approval, or PMA from the FDA and will supply the Company with its requirements of Ovaprene for cli nical and commercial use on commercially reasonable terms.

Under the ADVA-Tec Agreement, the Company is required to make payments of up to $14.6 million in the aggregate to ADVA-Tec based on the achievement of specified development and regulatory milestones, which include the completion of a successful Postcoital Clinical Trial Study (as defined in the ADVA-Tec Agreement); approval by the FDA to commence the Phase 3 pivotal human clinical trial; successful completion of the Phase 3 pivotal human clinical trial; the FDA's acceptance of the filing of a PMA for Ovaprene; the FDA's approval of the PMA for Ovaprene; Conformite Europeenne Marking of Ovaprene in at least three designated European countries; obtaining regulatory approval in at least three designated European countries; and obtaining regulatory approval in Japan. In addition, after the commercial launch of Ovaprene, the Company is also required to make royalty payments to ADVA-Tec based on aggregate annual net sales of Ovaprene in specified regions, which percentage royalty rate will vary between 1% and 10% and will increase based on various net sales thresholds. Finally, the Company is also required to make up to $20 million in the aggregate in commercial milestone payments to ADVA-Tec upon reaching certain worldwide net sales milestones.

The Company is obligated to use commercially reasonable efforts to develop and commercialize Ovaprene, and must meet certain minimum spending amounts per year, such amounts totaling $5 million in the aggregate over the first three years, to cover such activities until a final PMA is filed, or until the first commercial sale of Ovaprene, whichever occurs first.

The license the Company received under the ADVA-Tec agreement continues on a country-by-country basis until the later of the life of the licensed patents or the Company's last commercial sale of Ovaprene. The ADVA-Tec Agreement includes customary termination rights for both parties and provides the Company the right to terminate with or without cause in whole or on a country-by-country basis upon 60 days prior written notice. In addition, ADVA-Tec may terminate the ADVA-Tec Agreement if the Company fails to do any of the following: (i) satisfy the annual spending obligation described above, (ii) fail to use commercially reasonable efforts to complete all necessary pre-clinical and clinical studies required to support and submit a PMA, (iii) fail to conduct clinical trials as set forth in the development plan that is agreed by Daré and ADVA-Tec, and as may be modified by a joint research committee, where such failure is not caused by events outside of the Company's reasonable control, or (iv) fail to enroll a patient in the first non-significant risk medical device study or clinical trial as allowed by an institutional review board within six months of the production and release of Ovaprene, where non-enrollment is not caused by events outside of the its reasonable control. In addition, ADVA-Tec may terminate the ADVA-Tec Agreement if the Company develops or commercializes any non-hormonal ring-based vaginal contraceptive device which is deemed competitive to Ovaprene or, in certain limited circumstances, if the Company fails to commercialize Ovaprene in certain designated countries within three years of the first commercial sale of Ovaprene.

For products currently in development, future potential milestone payments based on product development are approximately $14.6 million as of December 31, 2017. Future potential milestone payments related to commercialization totaled $20 million at December 31, 2017. There are 1-10% royalties required under the license agreement. The Company is unable to estimate with certainty the timing on when these milestone payments will occur as these payments are dependent upon the progress of the Company's product development programs.

Employee Benefit – 401(k) Plan

The Company has a 401(k) retirement plan, or the 401(k) Plan, covering all qualified employees. The 401(k) Plan allows each participant to contribute a portion of their base wages up to an amount not to exceed an annual statutory maximum. The 401(k) Plan includes a Safe Harbor Plan that provides a Company match up to 4% of salary. During the year ended December 31, 2017 and 2016, the Company made no matching contributions.

10. SUBSEQUENT EVENTS

ATM Financing

On January 4, 2018, the Company entered into the ATM Agreement pursuant to which the Company may sell common stock from time to time up to an aggregate offering price of $10 million. Sales of the Company's common stock, if any, will be made by any method that is deemed to be an "at-the-market" equity offering as defined in Rule 415 promulgated under the Securities Act of 1933, as amended, including the sales made directly on Nasdaq, on any other

existing trading market for the common stock or to or through a market maker. Common stock may also be sold in negotiated transactions, subject to the Company's prior approval. The Company agreed to pay an aggregate commission rate of up to 3% of the gross proceeds from sales of any common stock sold under this agreement. Proceeds from sales of common stock will depend on the number of shares of common stock sold and the per share purchase price of each transaction. The Company is not obligated to make any sales of common stock under the sales agreement and may terminate the ATM Agreement at any time upon written notice. In January and February 2018, the Company generated net proceeds of an aggregate of $1.04 million on sales of an aggregate of 375,000 shares of its common stock under the ATM.

License and Collaboration Agreement

On February 11, 2018, the Company entered into a license and collaboration agreement, or the License Agreement, with Strategic Science and Technologies-D, LLC and Strategic Science Technologies, LLC, or referred to collectively as SST, pursuant to which the Company was required to secure an investment of at least $10 million by March 31, 2018. The Company announced that it had met this funding requirement on February 15, 2018. The License Agreement provides the Company with an exclusive, royalty-bearing, sublicensable license to develop and commercialize, in all countries and geographic territories of the world, for all indications for women related to female sexual dysfunction and/or female reproductive health, including treatment of female sexual arousal disorder, or the Field of Use, SST's topical formulation of sildenafil citrate as it exists as of the effective date of the License Agreement, or any other topically applied pharmaceutical product containing sildenafil or a salt thereof as a pharmaceutically active ingredient, alone or with other active ingredients, but specifically excluding any product containing ibuprofen or any salt derivative of ibuprofen, or the Licensed Products.

Under the terms of the License Agreement, the Company retains rights to inventions made by its employees, SST retains rights to inventions made by its employees, and each party shall own a fifty percent (50%) undivided interest in all joint inventions. Each party has agreed to collaborate through a Joint Development Committee, or JDC, which shall be responsible for determining the strategic objectives for, and generally overseeing, the development efforts of both parties under the License Agreement. Further, the Company has agreed to use commercially reasonable efforts to develop the Licensed Products in the Field of Use in accordance with a development plan contained in the License Agreement, and to commercialize the Licensed Products in the Field of Use.

The License Agreement provides that, in consideration of the rights to be granted to the Company, SST will be eligible to receive tiered royalties based on percentages of annual net sales of Licensed Products in the single digits to the mid double digits, including customary provisions permitting royalty reductions and offset, and a percentage of sublicense revenue. The Company is also responsible for all reasonable internal and external costs and expenses incurred by SST in its performance of the development activities it is required to perform under the License Agreement. Further, the License Agreement provides that Daré shall make milestone payments to SST ranging from $500,000 to $150,000,000 contingent on achieving certain clinical, regulatory and commercial milestones.

The license we received under the License Agreement continues on a country-by-country basis until the later of ten years from the date of the first commercial sale of such SST licensed product or the expiration of the last valid claim of patent rights covering the SST licensed product in the SST field of use. The License Agreement provides that each party will have customary rights to terminate the License Agreement in the event of material uncured breach by the other party, and, (i) prior to receipt of approval by a regulatory authority necessary for commercialization of a Licensed Product in the corresponding jurisdiction, including New Drug Application Approval, or NDA Approval, the Company will have the right to terminate the License Agreement without cause upon ninety (90) days prior written notice to SST, and (ii) following receipt of approval by a regulatory authority necessary for commercialization of a Licensed Product in the corresponding jurisdiction, including NDA Approval, the Company will have a right to terminate the License Agreement without cause upon one hundred eighty (180) days prior written notice. In addition, the License Agreement provides SST with the right to terminate the License Agreement with respect to the applicable Licensed Product(s) in the applicable country(ies) upon thirty (30) days' notice to the Company if the Company fails to use commercially reasonable efforts to perform development activities in substantial accordance with the development plan and does not cure such failure within sixty (60) days of receipt of SST's notice thereof.

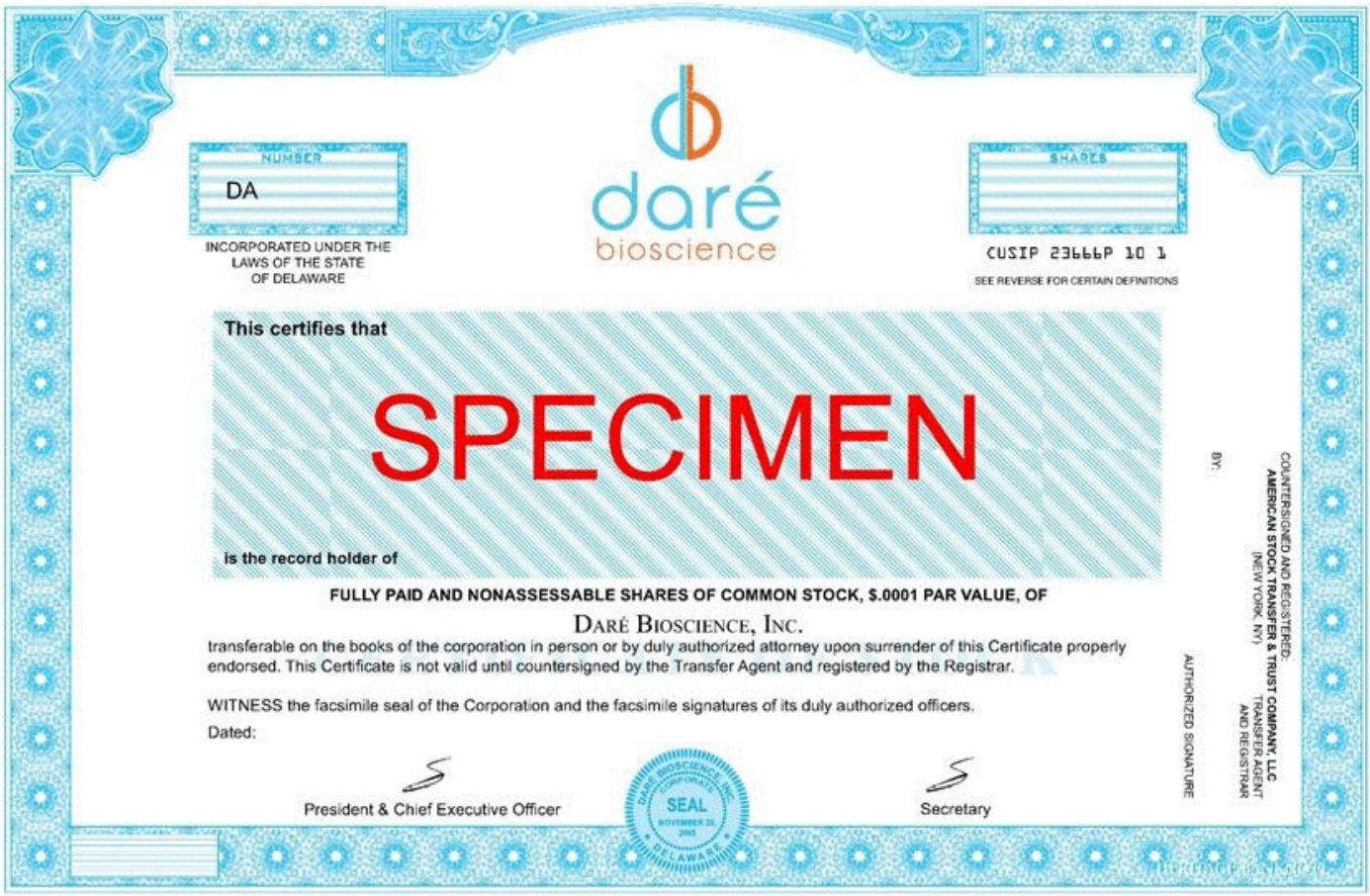
Upon expiration (but not termination) of the License Agreement in a particular country, the Company shall have a fully paid-up license under the licensed intellectual property to develop and commercialize the applicable Licensed Products in the applicable country on a non-exclusive basis.

Public Offering

On February 15, 2018, the Company closed an underwritten public offering of 5.0 million shares of its common stock and warrants to purchase up to 3.5 million shares of common stock. Each share of common stock is being sold

together with a warrant to purchase up to 0.70 of a share of common stock, at an exercise price of $3.00 per share. The warrants will be exercisable immediately and for a period of five years from the date of issuance and are subject to future price adjustments in certain instances. The warrants include a price-based anti-dilution provision, which provides that the exercise price of the warrants will be adjusted downward if the Company issues or sells (or is deemed to issue or sell) securities at a price that is less than the exercise price in effect immediately prior to such issuance or sale (or deemed issuance or sale), before the expiration of the warrant term. In that case, the new exercise price of the warrants would equal the price at which the new securities are issued or sold (or are deemed to have been issued or sold). In addition, if the Company issues, sells or enters into any agreement to issue or sell securities at a price which varies or may vary with the market price of the shares of its common stock, the holders of the warrants shall have the right to substitute such variable price for the exercise price of the warrant then in effect. The warrants are exercisable only for cash, unless the registration statement of which the prospectus registering the offering was part is not effective for the issuance of the shares underlying the warrants, in which case the warrants may be exercised on a cashless basis. Additionally, the Company granted the underwriters a 30-day option to purchase up to an additional 750,000 shares of common stock and warrants to purchase up to 525,000 shares of common stock directly from the Company at a price of $2.05 per common share and accompanying warrant. Should the underwriter elect to cover overallotments through open market purchases, then the Company would be required to issue additional warrants to the underwriter at a purchase price of $0.001 per Warrant Share. The Company received an overallotment notice from the underwriter for 220,500 shares which were issued on February 15, 2018. The Company received net proceeds of approximately $9.4 million, before the overallotment option.

Exhibit 4.1


NUMBER
DA
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE
daré bioscience
SHARES
CUSIP 23666P 10 1
SEE REVERSE FOR CERTAIN DEFINITIONS
This certifies that
SPECIMEN
is the record holder of
FULLY PAID AND NONASSESSABLE SHARES OF COMMON STOCK, $.0001 PAR VALUE, OF
DARÉ BIOSCIENCE, INC.
transferable on the books of the corporation in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.
WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.
Dated:
President & Chief Executive Officer
SEAL
Secretary
COUNTERSIGNED AND REGISTERED:
AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC
(NEW YORK, NY)
TRANSFER AGENT AND REGISTRAR
BY:
AUTHORIZED SIGNATURE

The Corporation shall furnish without charge to each stockholder who so requests a statement of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock of the Corporation or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Such requests shall be made to the Corporation's Secretary at the principal office of the Corporation.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN,OR DESTROYED THE CORPORATION WILL REQUIRE A BOND INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	–	as tenants in common
TEN ENT	–	as tenants by the entireties
JT TEN	–	as joint tenants with right of survivorship and not as tenants in common
COM PROP	–	as community property

UNIF GIFT MIN ACT – ..... Custodian .....
(Cust) (Minor)
under Uniform Gifts to Minors Act .....
(State)

UNIF TRF MIN ACT – ..... Custodian (until age .....)
(Cust)
..... under Uniform Transfers
(Minor)
to Minors Act .....
(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, _____ hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ shares

of the capital stock represented by within Certificate, and do hereby irrevocably constitute and appoint

_____ attorney-in-fact

to transfer the said stock on the books of the within named Corporation with full power of the substitution in the premises.

Dated _____

X _____

X _____

Signature(s) Guaranteed:

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

By _____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15. GUARANTEES BY A NOTARY PUBLIC ARE NOT ACCEPTABLE. SIGNATURE GUARANTEES MUST NOT BE DATED.

CONFIDENTIAL TREATMENT REQUESTED

LICENSE AND COLLABORATION AGREEMENT

BETWEEN

STRATEGIC SCIENCE & TECHNOLOGIES-D LLC

AND

(solely with respect to Section 10.5)

STRATEGIC SCIENCE & TECHNOLOGIES, LLC

AND

DARÉ BIOSCIENCE, INC.

Portions of this Exhibit, indicated by the mark "[***]", were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

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LICENSE AND COLLABORATION AGREEMENT

This LICENSE AND COLLABORATION AGREEMENT (" **Agreement**") is entered into by and between Strategic Science & Technologies-D LLC ("**SST**"), with offices at 58 Charles St., Cambridge, MA 02141, and Daré Bioscience, Inc. ("**Daré**"), with offices at 11119 N. Torrey Pines Rd., La Jolla, CA 92037. SST and Daré may each be referred to as a " **Party**" or together as the "**Parties**."

RECITALS

WHEREAS, pursuant to a license agreement between SST and its parent company, Strategic Science & Technologies, LLC ("**SST Parent**"), SST owns or controls certain intellectual property assets, including patents, proprietary know-how, and scientific and technical information relating to a formulation of topical sildenafil in the Field of Use (as defined below) and SST is currently developing one or more topical pharmaceutical products utilizing sildenafil;

WHEREAS, Daré possesses expertise and resources relating to the development, manufacture and commercialization of pharmaceutical products and wishes to obtain an exclusive license under SST's patents, proprietary know-how and scientific and technical information relating to topical formulation sildenafil to develop, manufacture and commercialize products for the treatment of female sexual dysfunction, including female sexual arousal disorder;

WHEREAS, SST and Daré desire to enter into a collaboration for the development and commercialization of such products as set forth in this Agreement;

WHEREAS, as of the date of last signature hereto ("**Signature Date**"), Daré has undertaken diligent and good faith efforts to secure an investment of at least ten million dollars ($10,000,000) in the aggregate ("**Initial Funding**") to fund Phase II Development; and

WHEREAS, subject to and conditioned upon Daré's receipt of Initial Funding by March 31, 2018, or such later date as the Parties may agree in writing, SST is willing to grant to Daré, and Licensee desires to obtain, an exclusive license under SST's intellectual property rights to develop and commercialize Licensed Products in the Field of Use (both defined below), on the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the foregoing premises and the representations, warranties and covenants contained herein, SST and Daré, intending to be legally bound, hereby agree as follows:

AGREEMENT

DEFINITIONS.

For purposes of this Agreement, the following capitalized terms, whether used in the singular or plural, shall have the following meanings:

1.1 "**AAA**" shall have the meaning assigned thereto in Section 14.8.

1.2 "**Adverse Event**" means any undesirable event or experience associated with the use of a medicinal product, whether or not expected, and whether or not considered related to or caused by the product, including an event or experience that occurs: in the course of the use of the product in professional practice; from overdose whether accidental or intentional; from abuse; from withdrawal; or from a failure of expected pharmacological or biological therapeutic action of the product.

1.3 "**Affiliate**" means any Person that, directly or indirectly, controls, is controlled by or is under common control with a Party for so long as such control exists, where "control" means the decision-making authority as to such Person and, further, where such control shall be presumed to exist where a Person owns at least fifty percent (50%) of the equity (or such lesser percentage which is the maximum allowed to be owned by a foreign corporation in a particular jurisdiction, or, in the case of an entity that is not a corporation, for the election of the corresponding managing authority) entitled to vote regarding composition of the board of directors or other body entitled to direct the affairs of the entity. For purposes of this Agreement, SST Parent is an Affiliate of SST.

1.4 "**Agreement**" shall have the meaning assigned thereto in the opening paragraph of this Agreement.

1.5 "**Acquirer**" means, with respect to a Party, any Third Party that becomes an Affiliate of such Party after the Effective Date as a result of such Party or any of its Affiliates being acquired by such Third Party.

1.6 "**Annual Worldwide Net Sales**" means the total Net Sales of all Licensed Products generated in a particular calendar year in all countries of the Territory, collectively, during the Royalty Term.

1.7 "**Bankruptcy Code**" shall mean Title 11 of the United States Code.

1.8 "**Business Day**" means any day other than (a) Saturday or Sunday or (b) any other day on which banks in New York, New York, United States are permitted or required to be closed.

1.9 "**Claim**" means any charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand.

1.10 "**Clinical Study**" means a Phase I Clinical Study, Phase II Clinical Study, or Phase III Clinical Study.

1.11 "**Combination Product**" means a Licensed Product that includes one or more active pharmaceutical ingredients or pharmaceutical products in addition to sildenafil (or a salt thereof).

1.12 "**Commercialization**", "**Commercialize**" or "**Commercializing**" means engaging in any and all activities directed to manufacturing, marketing, promoting, distributing,

offering for sale, selling, importing, exporting or exploiting a product, including conducting post Marketing Authorization Approval studies.

1.13 "**Commercially Reasonable Efforts**" means efforts at least consistent with the efforts that biotechnology or pharmaceutical companies similar in size to the applicable Party would be expected to devote to a product of similar market potential, profit potential (without taking into account payments under this Agreement), or strategic value resulting from its own research efforts, and at a similar stage in its product life, taking into account, as applicable, stage of development, mechanism of action, efficacy and safety relative to competitive products in the marketplace, actual or anticipated Regulatory Authority approved labeling, expected and actual competitiveness of alternative products (including generic products) in the marketplace, the nature and extent of market exclusivity (including patent coverage and regulatory exclusivity), cost and likelihood of obtaining Marketing Authorization Approval, and availability of manufacture and supply for commercial sale. In all cases, the level of efforts required of a Party in connection with its Development and/or Commercialization efforts (as applicable) shall be determined without reference to any product other than Licensed Products, or any other drug development program other than the program described herein, owned by that Party, its Affiliates or any Sublicensee, or to which any of them have any rights or interests.

1.14 "**Committee**" or "**Committees**" means the JDC and JPT, individually or collectively, as the context dictates.

1.15 "**Confidential Information**" shall have the meaning assigned thereto in Section 9.1.

1.16 "**Control**" or "**Controlled**" means with respect to any item of or right under Patents or Know-How, the possession of (whether by ownership or license, other than pursuant to this Agreement) or the ability of a Party to grant a license or sublicense of such items or right as provided for herein without violating the terms of any agreement or other arrangement with any Third Party existing at the time such Party would be required hereunder to grant the other Party such license or sublicense and without payment of additional consideration to such Third Party.

1.17 "**Cover**" or "**Covering**" means, (a) with respect to a Patent, that at least one Valid Claim of such Patent would be infringed by the manufacture, offering for sale, sale, use or importation of the product, method, use, or device, as applicable, and (b) with respect to any other Intellectual Property Right, that the manufacture, offering for sale, sale, use or importation of the product, method, use or device would infringe or misappropriate such rights unless a license were granted. For purposes of determining whether a Valid Claim of a pending patent application would be infringed by any of the activities described in clause (a) above, the claim(s) of such patent application shall be treated as having been granted.

1.18 "**Daré**" shall have the meaning assigned thereto in the first paragraph of this Agreement.

1.19 "**Daré Invention**" means an invention, other than an Improvement, with respect to which employees, contractors and/or agents (for the avoidance of doubt, other than SST)

of Daré are sole inventors in the course of the activities hereunder, including all Intellectual Property Rights therein.

1.20 "**Daré Incorporated IP**" means Daré Patents and Daré Know-How that are necessary for the manufacture, use or sale of, and/or are incorporated into, Licensed Products as manufactured, used or sold by Daré, or any of its Affiliates or Sublicensees, including clinical, stability and other data concerning such Licensed Products within the Daré Know-How, but expressly excluding the Daré Marks.

1.21 "**Daré Know-How**" means all Know-How Controlled by Daré, its Affiliates or any of their Sublicensees at any time during the Term.

1.22 "**Daré Marks**" means any trademarks or trade dress under which Licensed Products are Commercialized.

1.23 "**Daré Patents**" means any Patents Covering a Licensed Product that are Controlled by Daré at any time during the Term.

1.24 "**Development**", "**Develop**" or "**Developing**" means engaging in preclinical and clinical drug development activities, including research, discovery, test method development, stability testing, toxicology, formulation, process development, manufacturing scale-up, development-stage manufacturing, analytical method validation, manufacturing process validation, cleaning validation, post-approval changes, quality assurance/quality control, statistical analysis, report writing, preclinical and Clinical Studies, regulatory filing submission and approval and regulatory affairs (including marketing, pricing or reimbursement approvals), but expressly excluding manufacturing of commercial supplies.

1.25 "**Development Plan**" means the comprehensive plan for the Development of Licensed Products for the purpose of obtaining Marketing Authorization Approval, [***].

1.26 "**Disclosing Party**" shall have the meaning assigned thereto in Section 9.1.

1.27 "**Drug Master File**" means the drug master file document containing detailed information about the manufacturing of a Licensed Product, including information describing the manufacturing site, the manufacturing facility, the operating procedures, the personnel, the manufacture, storage and control of the Licensed Product, starting material and intermediates.

1.28 "**Effective Date**" means the date that Daré receives the Initial Funding, provided that such date is no later than March 31, 2018, unless the Parties agree otherwise in writing.

1.29 "**Elective Third Party License**" shall have the meaning assigned thereto in Section 8.2.7(b).

1.30 "**EMA**" means the European Medicines Agency, or any successor agency thereto.

1.31 "**End of Phase II FDA Meeting**" means a meeting between the FDA and SST following completion of the End of Phase IIA FDA Meeting and the Phase II Clinical Study(ies) of the SST Product conducted pursuant to such End of Phase IIA FDA Meeting, the purpose of which is to review the results of such Phase II Clinical Study(ies) and align on the Phase III Clinical Studies required for NDA Approval of the SST Product in the Field of Use.

1.32 "**End of Phase IIA FDA Meeting**" means the meeting between the FDA and SST, the purpose of which is to align and confirm the Clinical Study design(s) for further Phase II Clinical Studies and Phase III Clinical Studies of the SST Product for any indication in the Field of Use. The Parties anticipate that this meeting will be a Type C Meeting as classified by FDA pursuant to its most recent congressional reauthorization of industry user fee programs.

1.33 "**EU Strategic Partnership Agreement**" means a sublicense of Daré's rights under this Agreement entered into between Daré and a Sublicensee under which such Sublicensee receives rights to Develop and/or Commercialize Licensed Products in Great Britain and/or within the European Union.

1.34 "**Excess Budget Increase**" shall have the meaning assigned thereto in Section 3.1.5.

1.35 "**FDA**" means the United States Food and Drug Administration and any successor agency thereto.

1.36 "**FDCA**" means the Federal Food, Drug and Cosmetic Act, 21 U.S.C. § 301 et seq. as amended from time to time, and the rules, regulations and guidelines promulgated thereunder.

1.37 "**Field of Use**" means the treatment or prevention of all indications for women related to female sexual dysfunction and/or female reproductive health, including treatment of female sexual arousal disorder.

1.38 "**First Commercial Sale**" means, on a country-by-country basis, the first transfer for value of commercial quantities of any Licensed Product by Daré or any of its Affiliates or Sublicensees in any country after receipt of Marketing Authorization Approval in such country. Sales for uses in Clinical Studies, or compassionate or similar uses shall not be considered to constitute a First Commercial Sale.

1.39 "**Force Majeure Event**" shall have the meaning assigned thereto in Section 14.6.

1.40 "**FTE Costs**" means the costs of any fully dedicated or multiple partially dedicated employees or contractors (including all relevant overhead costs attributed to these

employees or contractors) incurred by SST (without mark-up) to perform its obligations under the Development Plan, and which costs are included in the Development Plan budget.

1.41 "**Generic Product**" means, with respect to a particular Licensed Product and a particular country, any pharmaceutical product (other than such Licensed Product) that contains the same active ingredient(s) as such Licensed Product, has substantially the same formulation, mode of administration and duration of release as such Licensed Product, and is approved for one or more of the same indications as such Licensed Product in such country.

1.42 "**Good Clinical Practices**" means all applicable current Good Clinical Practice standards for the design, conduct, performance, monitoring, auditing, recording, analyses, and reporting of Clinical Studies, including the requirements in 21 C.F.R. Parts 11, 50, 54, 56, 312, and 314, and European Union Directive 2001/20/EC and Commission Directive 2005/28/EC, in each case, as may be amended from time to time, that provide assurance that the data and reported results are credible and accurate, and that the rights, integrity, and confidentiality of Clinical Study subjects are protected.

1.43 "**Good Manufacturing Practices**" or "**cGMPs**" means, with respect to the United States, the minimum then-current good manufacturing practices for methods, facilities, and controls to be used for the manufacture, processing, packing, or holding of a drug to assure that it meets the requirements of the FDCA for safety, has the identity and strength it claims to have, and meets the quality and purity standards set for such a product. cGMPs are specified in 21 C.F.R. Parts 210 and 211 and in applicable FDA guidelines and policies, as may be amended, and, with respect to any other country or jurisdiction, there may be equivalent regulations in such other country or jurisdiction.

1.44 "**Governmental Authority**" means any court, tribunal, arbitrator, agency, legislative body, commission, official or other instrumentality of (a) any government of any country, (b) a federal, state, province, county, city or other political subdivision thereof or (c) any supranational body, including the FDA.

1.45 "**Improvements**" means any enhancement, modification or improvement to Licensed Know-How incorporating, utilizing, or requiring the use of Licensed Know-How, or any improvement to Licensed Patents requiring the practice of an invention claimed in the Licensed Patents, in each case, which is conceived, reduced to practice, developed or made after the Signature Date solely or jointly by or on behalf of employees or agents of either Party or any of its Affiliates or any Sublicensee, alone or with others; provided, however, that any Intellectual Property Rights that are Controlled by an Acquirer of either Party, or by a Sublicensee, shall not be deemed Improvements unless such Intellectual Property Rights are actually used at any time in the Development and/or Commercialization of Licensed Products under this Agreement (including a sublicense granted under this Agreement).

1.46 "**IND**" means, with respect to a Licensed Product, any Investigational New Drug Application, as defined in the implementing regulations of Title 21, Part 312, on file with the FDA before the commencement of Clinical Studies of such Licensed Product, or any

comparable filing with any relevant Regulatory Authority in any country or jurisdiction in the Territory.

1.47 "**Indemnified Party**" shall have the meaning assigned thereto in Section 11.3.1.

1.48 "**Indemnifying Party**" shall have the meaning assigned thereto in Section 11.3.1.

1.49 "**Intellectual Property Rights**" means any and all patent rights, copyright rights, trade secret rights, *sui generis* database rights and all other intellectual and industrial property rights of any sort throughout the world (including any application therefor) whether now known or hereafter existing.

1.50 "**Joint Invention**" means an invention, other than an Improvement, with respect to which employees and/or agents of both SST and Daré are joint inventors in the course of the activities carried out in the performance of this Agreement, regardless of whether any Third Parties are also joint inventors, including all Intellectual Property Rights therein.

1.51 "**Joint Patent**" means any Patent Covering a Joint Invention.

1.52 "**Know-How**" means information, trade secrets and data (including non-clinical data, results of Clinical Studies, data generated in pre-clinical and Clinical Studies (including post-Marketing Authorization Approval studies) and other technical data, information contained in Regulatory Filings, communications and correspondence with Regulatory Authorities, and product development and manufacturing data), in each case, in any tangible or intangible form, necessary or useful for the Development, manufacturing, packaging, production, quality control, distribution, Commercialization, sale or use of Licensed Products in the Field of Use, and in all cases whether patentable or not, but expressly excluding Patents.

1.53 "**Laws**" means all laws, statutes, rules, regulations (including current Good Manufacturing Practices; current Good Clinical Practices; IND application regulations at 21 C.F.R. Part 312; NDA regulations at 21 C.F.R. Part 314; relevant provisions of the FDCA, and other laws and regulations enforced by the FDA), ordinances and other pronouncements having the binding effect of law of any Governmental Authority.

1.54 "**License Agreement**" means that certain License Agreement between SST and SST Parent effective as of August 29, 2012, as amended by that certain Amendment No. 1 to License Agreement dated as of February 11, 2018.

1.55 "**Licensed IP**" means the Licensed Patents, Licensed Know-How, SST's rights in any Joint Inventions and Joint Patents, and all Improvements.

1.56 "**Licensed Know-How**" means all Know-How Controlled by SST, SST Parent and their Affiliates as of the Signature Date and during the Term, other than Know-How Controlled by an Acquirer of SST, SST Parent and their Affiliates, which shall be deemed Licensed

Know-How only if such Know-How is actually used by or on behalf of SST, SST Parent and/or their Affiliates at any time in connection with the Development of Licensed Products under this Agreement.

1.57 "**Licensed Patents**" means (a) the patents and patent applications set forth in Exhibit 1 attached hereto, (b) patent applications claiming priority thereto, including continuations, divisionals, continuations-in-part and foreign patent applications, (c) all patents issuing from such domestic, and foreign patent applications described in (a) and (b), including all reissues, reexaminations and extensions, and (d) all other patents and patent applications that have at least one Valid Claim Covering the manufacture, use, and/or sale of a Licensed Product, whether or not listed on Exhibit 1, in each case to the extent any of the patents or patent applications in (a) through (d) above are Controlled by SST or its Affiliates as of the Signature Date or during the Term.

1.58 "**Licensed Product**" means the SST Product, or any other topically applied pharmaceutical product containing sildenafil or a salt thereof as a pharmaceutically active ingredient, alone or with other active ingredients, but specifically excluding any product containing ibuprofen or any salt derivative of ibuprofen.

1.59 "**Losses**" means any and all damages (including all loss of profits, diminution in value, and incidental, indirect, consequential, special, reliance, exemplary, punitive, statutory and treble damages), awards, deficiencies, settlement amounts, defaults, assessments, fines, dues, penalties, costs, fees, liabilities, obligations, taxes, liens, losses and expenses (including court costs, interest and reasonable fees of attorneys, accountants and other experts) incurred by or awarded to Third Parties and required to be paid to Third Parties with respect to a Claim by reason of any judgment, order, decree, stipulation or injunction, or any settlement entered into in accordance with the provisions of this Agreement.

1.60 "**Manufacturing Documentation**" means, with respect to a Licensed Product, the Drug Master File for such Licensed Product, and any other documentation that is necessary for the manufacture of Licensed Product (or any component thereof), including the following: manufacturing process validation reports; manufacturing instructions; batch record templates; manufacturing standard operating procedures; specifications and test methods for the Licensed Product, raw materials and stability; standard operating procedures and specifications for packaging, manufacturing and packaging instructions; master formula; validation reports (analytical, packaging and cleaning); stability data; approved supplier lists.

1.61 "**Marketing Authorization Approval**" shall mean approval by a Regulatory Authority necessary for commercialization of a Licensed Product in the corresponding jurisdiction, including NDA Approval.

1.62 "**NDA**" means a new drug application, abbreviated new drug application or supplemental new drug application or any amendments thereto submitted to the FDA or an equivalent thereof submitted to a Regulatory Authority in a foreign country.

1.63 "**NDA Acceptance**" means the written notification by the FDA that the NDA has met all the criteria for filing acceptance.

1.64 "**NDA Approval**" means approval by the FDA for marketing and sale of a Licensed Product in the United States.

1.65 "**Necessary Third Party License**" shall have the meaning assigned thereto in Section 8.2.7(a).

1.66 "**Net Sales**" means with respect to a given time period, the gross amounts invoiced for Licensed Products sold by or on behalf of Daré, an Affiliate of Daré, or a Sublicensee, as applicable, to Third Party customers, less the following amounts:

(i) reasonable returns, allowances, refunds, rebates paid or accrued;

(ii) customary trade, quantity, cash and other discounts, any other reasonable adjustments allowed and actually granted in the ordinary course of business, including those granted on account of price adjustments, billing errors, and damaged or defective goods;

(iii) chargebacks, rebates, reimbursements or similar payments or adjustments granted in the ordinary course of business to retailers, wholesalers, distributors or other buying groups;

(iv) adjustments arising from consumer discount programs;

(v) customs or excise duties, tariffs, sales, consumption, value added and other taxes (except income taxes and withholding taxes) or similar payments related to particular sales or shipments of Licensed Products;

(vi) reasonable, documented freight, postage, shipping, handling and insurance cost; and

(v) actual bad debt expense actually written off, to the extent such expense does not exceed five percent (5%) of the gross amounts invoiced for Licensed Products sold by or on behalf of Daré, an Affiliate of Daré, or a Sublicensee, as applicable, during the relevant time period; provided, that any such bad debt expenses deducted from such gross amounts shall be treated as Net Sales if and when such amounts are later received.

Sales between Daré and its Affiliates or Sublicensees are excluded from the computation of Net Sales except where such Affiliates or Sublicensees are end users.

1.67 "**Other Products**" means any products other than Licensed Products.

1.68 "**Other Products**" shall have the meaning assigned to it in Section 2.7.1.

1.69 "**Party**" or "**Parties**" shall have the meaning assigned thereto in the first paragraph of this Agreement.

1.70 "**Patent**" means any patent or patent application, including any United States provisional application, any United States non-provisional application, and any continuation, continuation-in-part, divisional, registration, confirmation, revalidation, reissue, reexamination, PCT application, patent term extension, SPC, and utility model, as well as all related extensions or restorations of terms thereof.

1.71 "**Patent Costs**" shall have the meaning assigned thereto in Section 12.4.1.

1.72 "**PD5 License Exclusive Period**" shall have the meaning assigned thereto in Section 2.7.4.

1.73 "**PD5 Proposal**" shall have the meaning assigned thereto in Section 2.7.4.

1.74 "**PD5 Proposal Acceptance**" shall have the meaning assigned thereto in Section 2.7.4.

1.75 "**PD5 Proposal Notice**" shall have the meaning assigned thereto in Section 2.7.4.

1.76 "**Person**" means any natural person, corporation, general partnership, limited partnership, limited liability company, joint venture, proprietorship or other *de jure* entity organized under the Laws of any jurisdiction.

1.77 "**Phase I Clinical Study**" means (a) in connection with obtaining Marketing Authorization Approval in the United States, the first Clinical Study conducted in human volunteers or patients to obtain preliminary information on a Licensed Product's safety, tolerability, pharmacodynamic activity, pharmacokinetics, drug metabolism and mechanism of action, as well as early evidence of effectiveness if possible, as more fully defined in 21 C.F.R. § 312.21(a), as may be amended or (b) in connection with obtaining Marketing Authorization Approval in any other jurisdiction, the equivalent of any such Clinical Study in such other country or jurisdiction.

1.78 "**Phase II Clinical Study**" means (a) in connection with obtaining Marketing Authorization Approval in the United States, a Clinical Study in human patients, the primary intention of which is to collect data on dosages and demonstrate clinical safety and efficacy of a Licensed Product in a target population for a specific disease or condition under study, as more fully defined in 21 C.F.R. § 312.21(b), as may be amended or (b) in connection with obtaining Marketing Authorization Approval in any other jurisdiction, the equivalent of any such Clinical Study in such other country or jurisdiction.

1.79 "**Phase IIb Clinical Study**" means a Phase II Clinical Study of the SST Product initiated after completion of the End of Phase IIA FDA Meeting and in which the SST Product is used by study subjects outside the clinical setting (e.g., at home).

1.80 "**Phase II Development**" means the conduct of one or more Phase II Clinical Studies of the SST Product reasonably necessary for the initiation of Phase III

Development, including all Development activities incidental to or required to initiate such Phase II Clinical Studies. For the avoidance of doubt, protocol development, clinical supply manufacturing and other activities undertaken in preparation of Phase III Clinical Studies shall not be included in the Phase II Development, even if they occur prior to the completion of Phase II Development.

1.81 "**Phase III Clinical Study**" means (a) in connection with obtaining Marketing Authorization Approval in the United States, a Clinical Study that is conducted in human patients with a defined dose or set of defined doses of a Licensed Product, after successful completion of one or more Phase II Clinical Studies, designed to evaluate safety and therapeutic efficacy of a Licensed Product, to define warnings, precautions and adverse reactions associated with the Licensed Product in the dosage range to be prescribed, as more fully defined in 21 C.F.R. § 312.21(c), as may be amended or (b) in connection with obtaining Marketing Authorization Approval in any other jurisdiction, the equivalent of any such Clinical Study in such other country or jurisdiction.

1.82 "**Phase III Development**" means the conduct of Phase III Clinical Studies of SST Product in the United States as set forth in the then-current Development Plan, including all Development activities incidental thereto.

1.83 "**Receiving Party**" shall have the meaning assigned thereto in Section 9.1.

1.84 "**Regulatory Authority**" means a Governmental Authority involved in the granting of Marketing Authorization Approval in a country (e.g., the FDA).

1.85 "**Regulatory Filings**" means any written application, submission, notice or other filing made to an applicable Regulatory Authority in the Territory: (a) seeking approval for the commercial manufacture, use, storage, import, export, transport, distribution, marketing or sale of a Licensed Product, including any Marketing Authorization Approval; or (b) that is required to be filed with a Regulatory Authority before beginning clinical testing of a Licensed Product in human subjects, including any IND or any successor application or procedure, non-U.S. equivalents to any of the foregoing, and all supplements and amendments that may be filed with respect to any of the foregoing.

1.86 "**Royalty Term**" means, on a country-by-country and Licensed Product-by-Licensed Product basis, a period starting on the date of the First Commercial Sale of each Licensed Product in each country and expiring upon the later of (a) the expiry of the last-to-expire of the Licensed Patents which has at least one Valid Claim Covering such Licensed Product in such country or (b) ten (10) years from the date of First Commercial Sale of such Licensed Product in such country.

1.87 "**Senior Executives**" shall mean the President of SST and the Chief Executive Officer of Daré.

1.88 "**SPC**" means a right based upon a Patent that extends the right to exclude others from making, having made, using, offering to sell, selling, importing or exporting a Licensed Product, such as a Supplementary Protection Certificate.

1.89 "**SST**" shall have the meaning assigned thereto in the first paragraph of this Agreement.

1.90 "**SST Invention**" means an invention, other than an Improvement, which is conceived, discovered, developed, made or reduced to practice solely by employees, contractors or other agents of SST in the course of SST's performance of its obligations under this Agreement, including all Intellectual Property Rights therein.

1.91 "**SST Parent**" has the meaning ascribed to it in the Recitals.

1.92 "**SST Product**" means SST's topical formulation of sildenafil citrate as it exists as of the Signature Date.

1.93 "**Sublicensee**" means a Third Party sublicensee to whom Daré has sublicensed any rights to Develop and/or Commercialize (e.g., without limitation, the right to sell or offer to sell) Licensed Products pursuant to Section 2.2, and a Third Party to whom such sublicensee has onward sublicensed such rights .

1.94 "**Sublicense Income**" means all cash payments and the fair market cash value of any equity consideration (less any amounts paid for such equity consideration) received by Daré or its Affiliates in consideration for and directly attributable to the grant of a sublicense under the Licensed IP, including any upfront payments, license maintenance fees, milestone payments, royalty payments or the like; provided, however, that with respect to milestone payments, no part of any milestone payment received from a Sublicensee for a milestone event that corresponds directly to a milestone event triggering a milestone payment payable by Daré to SST pursuant to Section 8.1 shall be included in the calculation of Sublicense Income unless the payment received from the Sublicensee exceeds four (4) times the corresponding milestone payment payable by Daré, in which case the full amount of the milestone payment received from the Sublicensee shall be considered Sublicense Income.

Notwithstanding the foregoing, Sublicense Income shall not include proceeds reasonably and fairly attributable to bona fide (a) equity investments in the Sublicensee at fair market value, (b) reimbursement for the cost of research and/or development services (not in excess of commercially reasonable rates); (c) non-forgivable loans (and forgivable loans unless and until forgiven); (d) amounts paid for supplies of Licensed Products or other tangible materials, or that are otherwise paid in reimbursement of costs or expenditures, whether incurred before or after the date of such sublicense agreement; (e) running royalties (including any amounts paid based upon sales of Licensed Products); and (f) withholding taxes or other amounts actually withheld from the amounts paid to Daré. For the avoidance of doubt, Sublicense Revenue shall not include amounts received in connection with a merger, consolidation or sale of all or substantially all of the business or assets of Daré (including the assets of Daré to which this Agreement relates).

In respect of any Sublicense Income received in kind or any other form other than lawful currency, payments shall be made based on the value thereof determined by the parties in good faith, other than in respect of equity or other securities which shall be determined as follows: The per share fair market value of a Sublicensee's equity or any other securities shall be (i) if publicly traded and listed on a national exchange or through the Nasdaq National Market, the average of the closing prices of such equity on such exchange or quotation system over the ten (10) day trading period ending three (3) days prior to the date of such payment, (ii) if publicly traded on an over-the-counter basis, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the ten (10) day trading period ending three days prior to the date of such payment, (iii) if not publicly traded, the per share amount paid by an investor to the Sublicensee in the most recent round of financing within the six (6) month period immediately preceding the equity or other investment by Daré or any of its Affiliates, or (iv) if not publicly traded and no round of financing occurred in the immediately preceding six (6) month period, the per share fair market value of Sublicensee's equity or similar securities shall be agreed upon by the parties in good faith. In the event that SST and Daré or any of its Affiliates cannot agree on a price within thirty (30) days after Daré's or any of its Affiliates' equity investment in the Sublicensee, said price shall be determined by a mutually agreed upon appraiser. If Daré or any of its Affiliates makes an equity investment in the Sublicensee at a price that is less than fair market value (as determined in the manner specified above), then the difference between Daré's or any of its Affiliates' purchase price and the fair market value on the date that such payment is to be made multiplied by the total number of shares or securities purchased by Daré or any of its Affiliates shall be deemed Sublicense Income.

1.95 "**Term**" shall have the meaning assigned thereto in Section 13.1.

1.96 "**Territory**" means all countries and geographic territories of the world.

1.97 "**Third Party**" means a Person who is not a Party or an Affiliate of a Party.

1.98 "**Third Party Claim**" shall have the meaning assigned thereto in Section 11.3.1.

1.99 "**United States**" means the United States of America and its territories and possessions.

1.100 "**U.S. Strategic Partnership Agreement**" means a sublicense of Daré's rights under this Agreement entered into between Daré and a Sublicensee under which such Sublicensee receives rights to Develop and/or Commercialize Licensed Products in the United States.

1.101 "**Valid Claim**" means a claim in an issued, unexpired patent or in a pending patent application that (a) has not been finally cancelled, withdrawn, abandoned or rejected by any administrative agency or other body of competent jurisdiction, (b) has not been revoked, held invalid, or declared unpatentable or unenforceable in a decision of a court or other body of competent jurisdiction that is unappealable or unappealed within the time allowed for appeal, (c)

has not been rendered unenforceable through disclaimer or otherwise, and (d) is not lost through an interference proceeding. Notwithstanding the foregoing, if a claim of a pending patent application has not issued as a claim of a patent as of the date that is seven (7) years after the PCT filing date (or the first national filing date if no PCT was filed), such claim shall cease, as of such date, to be a Valid Claim for the purposes of this Agreement, unless and until such claim issues as a claim of an issued patent (from and after which time the same shall be deemed a Valid Claim, subject to clauses (a) and (b) above).

2.LICENSE GRANTS, OWNERSHIP AND EXCLUSIVITY.

License Grant

. Subject to the terms and conditions of this Agreement, SST grants to Daré, and Daré accepts, under the Licensed IP, an exclusive, royalty-bearing, non-transferable (except as expressly set forth in Section 15.11) license, with the right to sublicense (subject to the requirements of Section 2.2), to Develop and Commercialize Licensed Products in the Field of Use in the Territory.

Daré's Right to Sublicense and Subcontract

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2.2.1 At any time after the JDC determines that Phase II Development has been completed, Daré may sublicense its rights to Develop and/or Commercialize Licensed Products to Third Parties. In addition, Daré may authorize any Sublicensee receiving its rights to the Licensed IP directly from Daré to sublicense such Sublicensee's rights to Develop and/or Commercialize Licensed Products to Third Parties upon thirty (30) days' prior written notice to SST. Daré shall not permit any Sublicensee to authorize another Sublicensee to grant any further sublicenses under the Licensed IP. [***].

2.2.2 At any time, Daré may subcontract its obligations to Develop and/or Commercialize Licensed Products, in part (but not in their entirety) to Third Party contract research organizations, contract manufacturing organizations, contract sales organizations, consultants and similar service providers; provided, that any such subcontracting with respect to Development activities shall be subject to the approval of the JDC.

2.2.3 Daré shall secure all appropriate covenants, obligations and rights from any such Sublicensee or subcontractor, including licenses, Intellectual Property Rights and confidentiality obligations, as applicable, to ensure that each such Sublicensee and subcontractor is subject to, and Daré can comply with, all of Daré's covenants and obligations to SST under this Agreement. Daré shall (a) be responsible for any failure of its Sublicensees and subcontractors to comply with this Agreement and (b) provide SST with a complete copy of any sublicense or subcontract agreement entered into under this Section 2.2.3 promptly following the execution thereof, which copy may be reasonably redacted, provided the redacted copy permits SST to confirm Daré's compliance with its obligations under this Section 2, and shall be subject to the confidentiality obligations under this Agreement.

2.2.4 Daré's rights to sublicense and subcontract are limited as expressly set forth in this Section 2.2.

SST's Right to Subcontract

. SST may delegate any or all of its obligations under this Agreement (including, without limitations, any obligations SST has with respect to any Committee under Article 3) to SST Parent upon thirty (30) days' prior notice to Daré. In addition, SST may subcontract its obligations to complete any Development activities for which it is responsible under this Agreement to SST Parent or to Third Party contract research organizations, contract manufacturing organizations, consultants and similar service providers; provided, that any such subcontracting to Third Parties with respect to Development activities shall be subject to the approval of the JDC. SST shall secure all appropriate covenants, obligations and rights from SST Parent and any such subcontractor, including licenses, Intellectual Property Rights and confidentiality obligations, as applicable, to ensure that SST Parent and each such subcontractor is subject to, and SST can comply with, all of SST's covenants and obligations to Daré under this Agreement. SST's rights to subcontract are limited as expressly set forth in this Section. SST shall be responsible and liable for any failure of SST Parent or any of SST's or SST Parent's subcontractors to comply with this Agreement, and for their actions or inactions related to any such delegation or subcontracting.

2.4Rights of Affiliates. Daré may permit its Affiliates to exercise all rights granted to Daré hereunder to Develop and/or Commercialize Licensed Products, such that Daré's Affiliates shall have the same license rights granted to Daré hereunder. Daré shall secure all appropriate covenants, obligations and rights from any such Affiliate, including licenses, Intellectual Property Rights and confidentiality obligations, to ensure that such Affiliate is subject to, and Daré can comply with, all of Daré's covenants and obligations to SST under this Agreement. Daré shall be responsible for any failure of any of its Affiliates exercising rights pursuant to this Section 2.3 to comply with this Agreement.

Trademarks

. Daré shall exclusively own all Daré Marks for Licensed Products, and shall be responsible for the procurement, filing and maintenance of trademark registrations for such Daré Marks and all related costs and expenses.

No Implied Rights; SST Retained Rights

. Nothing contained in this Agreement confers or will be construed to confer any rights by implication, estoppel or otherwise, under any Intellectual Property Rights, other than the rights expressly granted in this Agreement. During the Term, neither Daré, nor any of its Affiliates, nor any Sublicensees will use all or any part of the Licensed IP to Develop or Commercialize any products other than Licensed Products. All rights not expressly granted by a Party under this Agreement are reserved to such Party. Notwithstanding the license granted to Daré under Section 2.1, SST retains the right, under the Licensed IP, to Develop (but not Commercialize) Licensed Products in the Field of Use for the Territory pursuant to the terms of this Agreement. For the avoidance of doubt, but without limiting and subject to Sections 2.7.1 and 2.7.4, SST also retains the right to research, Develop and Commercialize (i) any and all products outside the Field of Use (including products for male erectile dysfunction), and (ii) any and all products in the Field of Use other than pharmaceutical products containing either sildenafil or a salt thereof as a pharmaceutically active ingredient, and to grant licenses to Third Parties to do the same.

Exclusivity

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2.7.1 During the Term, SST, SST Parent and SST Parent's and their Affiliates will not, nor will they license or authorize any of their Affiliates or any Third Party to, [***] in the Field of Use, whether or not such product includes ibuprofen or any salt derivative thereof (except to the extent reasonably necessary for SST to perform its Development obligations under this Agreement as described in Section 2.2.2). Notwithstanding the preceding sentence, nothing in this Section 2.7.1 or elsewhere in this Agreement shall prohibit an Acquirer of SST from Developing or Commercializing, or licensing or authorizing the Development or Commercialization of, [***], in the Field of Use (other than any other Licensed Product(s) Developed and/or Commercialized by Daré, its Affiliates and/or Sublicensees under this Agreement) (all such products, collectively, "[***]"), so long as the Development and/or Commercialization of such [***] does not utilize any Licensed IP.

2.7.2 During the Term, neither Daré, nor any of its Affiliates, nor any Sublicensees will directly or indirectly Develop or Commercialize any [***]. Notwithstanding the preceding sentence, nothing in this Section 2.7.2 or elsewhere in this Agreement shall prohibit an Acquirer of Daré from Developing or Commercializing any pharmaceutical product [***], in each case so long as the Development and/or Commercialization of such product does not utilize any Licensed IP. For clarity, nothing in this Section 2.7.2 prohibits Daré, its Affiliates or any Sublicensees from developing or commercializing [***].

2.7.3 If, at any time during the Term, the license rights granted by SST to Daré under this Agreement are terminated with respect to one or more countries in the Territory or in their entirety as permitted herein, then from and after the effective date of any such termination, the scope of each Party's obligations in Sections 2.7.1 and 2.7.2, as applicable, shall not apply with respect to any countries in the Territory that have been terminated.

2.7.4 SST shall notify Dare in writing should SST or an Affiliate of SST elect to undertake any [***] in the Field of Use, and/or should SST or an Affiliate of SST elect to initiate discussions with any Third Party concerning a potential collaboration, option and/or license between SST and such Third Party to Develop and/or Commercialize [***] in the Field of Use. Notwithstanding the foregoing, SST shall not be required to notify Daré of any Development efforts with respect to [***] in the Field of Use that are undertaken by an Acquirer of SST or an Affiliate of SST where such Development efforts do not utilize any of the Licensed IP ("**Acquirer Development Efforts**").

(a)If SST or an Affiliate of SST intends to undertake any non-trivial Development efforts with respect to an [***] in the Field of Use (other than Acquirer Development Efforts undertaken by an Acquirer), or intends to accept or to approve entering into a term sheet or agreement with any Third Party for the grant of an exclusive license to all or substantially all of the Licensed IP for the development and/or commercialization of any [***] in the Field of Use (each such transaction, a "**PD5 Proposal**"), then, within two (2) business days after such decision with respect to such PD5 Proposal, SST shall provide Daré with written notice of the existence of such PD5 Proposal, including the material terms thereof (the "**PD5 Proposal Notice**").

(b)Daré shall have fifteen (15) days from receipt of the PD5 Proposal Notice to notify SST i f Daré wishes to enter into an exclusive license to all or substantially all of the Licensed IP for the development and/or commercialization of the [***] that is the subject of the PD5 Proposal. If Daré notifies SST during the foregoing fifteen (15) day period that Daré wishes to enter into such a license ("**PD5 Proposal Acceptance**"), then, during the PD5 License Exclusive Period (as defined below), Daré shall have a right of first negotiation as follows:

(c)SST shall negotiate in good faith with Daré for commercially reasonable terms regarding the PD5 Proposal that is the subject of the PD5 Proposal Acceptance, and SST shall not enter into a binding agreement or term sheet regarding such PD5 Proposal with any Third Party, and shall not undertake any non-trivial Development efforts with respect to the [***] that is the subject to the PD5 Proposal Notice in the Field of Use, in each case unless approved by Daré in writing. "**PD5 License Exclusive Period**" means the period beginning on the date of SST's receipt of the PD5 Proposal Acceptance and ending ninety (90) days after such date.

(d)SST and its Affiliates shall not enter into any binding agreement or term sheet with any party regarding a PD5 Proposal, and shall not undertake any non-trivial Development efforts with respect to the [***] that is the subject of the PD5 Proposal Notice in the Field of Use, in each case until after SST's compliance with Section 2.74(a) through (c) above, for the PD5 License Exclusive Period.

(e)If SST and Daré do not enter into a binding term sheet or agreement with respect to a PD5 Proposal within the PD5 License Exclusive Period, then SST may pursue the PD5 Proposal itself or with the Third Party that triggered the PD5 Proposal Notice.

(f)If SST or its Affiliate intends to accept or to approve entering into a term sheet or agreement with a new Third Party for the grant of an exclusive license to all or substantially all of the Licensed IP for the development and/or commercialization of any [***] in the Field of Use, or elects to undertake other non-trivial Development efforts with respect to an [***] in the Field of Use, such event shall be treated as a new PD5 Proposal and shall be subject to the process described in this Section 2.7.4.

3.GOVERNANCE.

General

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3.1.1 In order to oversee, supervise and coordinate the Parties' activities under this Agreement, the Parties shall establish a Joint Development Committee ("**JDC**") and Joint Project Team ("**JPT**") in accordance with Sections 3.2 and 3.3 below.

3.1.2 Each member of a Committee that a Party is entitled to designate pursuant to this Article 3 shall be a director, officer, employee or consultant of such Party (other than a Party's respective Senior Executives) or its Affiliates, except that each Party may designate one or more of its Third Party consultants or advisors reasonably acceptable to the other Party to

serve on a Committee. Each Party shall be responsible and liable for the acts or omissions of any directors, officers, employees or Third Parties it designates to serve on a Committee to the extent such acts or omissions relate to their participation on the Committee. Each Party shall secure all appropriate covenants, obligations and rights from any such Third Parties, including confidentiality obligations, to ensure that such Third Party is subject to all of such Party's covenants and obligations to the other Party under this Agreement. A secretary of each Committee shall be appointed on an annual rotating basis by either SST or Daré, who shall be a director, officer or employee of the Party designating such secretary. SST shall designate the first secretary to the JPT and Daré shall designate the first secretary to the JDC.

3.1.3 Each Party may replace any or all of its representatives on any Committee at any time upon written notice to the other Party. A Party may designate a substitute director, officer or employee to temporarily attend and perform the functions of such Party's designee at any meeting of any Committee. Each Party may, upon prior written approval of the other Party, invite non-member director, officer or employee of such Party or its Affiliates to attend meetings of any Committee as an observer (i.e., with no voting rights). By consensus of the relevant Committee members, any Committee may cancel meetings and/or establish a meeting schedule other than the schedule designated for such Committee under this Article 3.

3.1.4 The Committees shall make decisions by consensus. However, in the event the JPT cannot come to a consensus on a course of action, the matter will be escalated to JDC for resolution. If a matter before the JDC cannot be determined by consensus, the matter shall be escalated to the Senior Executives for resolution. If the Senior Executives are unable to resolve the matter, SST shall have final decision-making authority with respect to any matters before the JDC prior to the completion of Phase II Development and Daré shall have final decision-making authority with respect to any matters before the JDC after the completion of Phase II Development. Notwithstanding a Party's final decision-making authority, no Committee shall make any decision or take any action that is inconsistent with the express provisions of this Agreement or would require an amendment of this Agreement. In addition, neither SST nor Daré shall exercise its final decision-making pursuant to the foregoing escalation process to materially reduce its express obligations under this Agreement.

3.1.5 If carrying out a final decision relating to Phase II Development made solely by SST after escalation to the Senior Executives pursuant to the foregoing escalation process requires an increase to the then-current Development budget set forth in the Development Plan by [***] percent ([***]%) or more, Daré may, upon written notice to SST, deduct [***] percent ([***]%) of the costs that exceed such [***] percent ([***]%) threshold from the SST Development Costs otherwise reimbursable to SST hereunder. Furthermore, if carrying out a final decision relating to Phase II Development made solely by SST after escalation to the Senior Executives pursuant to the foregoing escalation process requires an increase to the then-current Development budget set forth in the Development Plan by greater than [***] percent ([***]%) (such increase, an "**Excess Budget Increase**"), then Daré shall have the right to terminate this Agreement upon thirty (30) days' prior written notice to SST. Such notice of termination must be given, if at all, within ten (10) days after the Development Plan reflecting the Excess Budget Increase is made effective. Notwithstanding Daré's right to terminate this Agreement under this

Section 3.1.5, if SST agrees in writing, prior to the expiration of the aforementioned thirty (30) day notice period, to pay for the entire portion of the Excess Budget Increase, (a) Daré's notice of termination under this Section 3.1.5 shall be deemed withdrawn and this Agreement shall remain in effect in accordance with its terms, (b) any amount of the Excess Budget Increase actually incurred by SST shall be excluded from the SST Development Costs such that Daré shall not be liable to reimburse SST pursuant to Section 4.4 for such portion of the Excess Budget Increase and (c) an amount equal to [***] percent ([***]%) of such portion of the Excess Budget Increase shall be added to the amount of the first regulatory milestone to be paid by Daré upon NDA Approval as described in Section 8.1.

Joint Development Committee

. Each Party shall designate three (3) representatives to serve on the JDC. The JDC shall be responsible for determining the strategic objectives for, and generally overseeing, the Development efforts of both Parties by (a) reviewing and discussing the progress of the Development Activities, including any significant difficulties encountered or anticipated to be encountered by either Party in connection therewith, (b) reviewing and approving any amendments to the then-current Development Plan (including budgetary amendments) proposed by the JPT or by representatives to the JDC; (c) determining when Phase II Development has been completed (i.e., when no further Phase II Clinical Studies or any substantial Development activities in relation thereto are required to be carried out prior to the initiation of Phase III Clinical Studies) and, if applicable, modifying the Development Plan as necessary to bring about the completion of Phase II Development; (d) determining the composition of the JPT and resolving any matters within the JPT's purview that cannot be resolved by the JPT and (e) determining the composition of the contractors, consultants and key employees to be engaged by the Parties to carry out their respective activities under the Development Plan. The JDC shall meet not less frequently than once per calendar quarter, with the first such meeting to occur within one (1) month after the Effective Date. Upon the First Commercial Sale of the first Licensed Product to receive Marketing Authorization Approval, the JDC shall be disbanded.

Joint Project Team

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3.3.1 The Parties shall each designate such number of representatives to the JPT as the JDC determines shall be designated, and each Party shall have the right but not obligation to appoint the same number of members. The members shall represent key functional areas (e.g., nonclinical, clinical, regulatory, CMC, intellectual property, and commercial). Each representative shall, as appropriate to the stage of Development and Commercialization of Licensed Products, represent key functional areas of the collaboration contemplated by this Agreement (e.g., representatives for nonclinical, clinical, regulatory CMC, intellectual property and commercial functions). The JPT shall be responsible for coordinating the day-to-day Development and Commercialization activities of the Parties by (a) identifying financial and other resource needs and appropriating sufficient resources within each JPT representative's respective organization, (b) reviewing the status of project activities, including in relation to the budget and timeline set forth in Development Plan (as applicable), (c) implementing solutions to problems encountered in the course of the Parties' activities under this Agreement and (d) with respect to the Parties' Development activities, submitting to the JDC for their review and approval such amendments to the Development Plan as the JPT determines appropriate.

3.3.2 One member of the JPT shall be designated the "JPT Leader" and one member of the JPT shall be designated the "JPT Manager." The JPT Leader shall be responsible for (a) preparing updates to the Development Plan and corresponding budgets with input from the other JPT members, (b) overseeing the execution of the Development Plan, (c) facilitating cross-company alignment on key strategic initiatives and activities and (d) providing the JDC with updates regarding the Parties' Development and Commercialization activities under this Agreement in advance of each meeting of the JDC, or more frequently as significant developments arise in the course of the Parties' collaboration hereunder. The JPT Manager shall assist the JPT Leader in performing his or her Committee-related duties under this Agreement and shall serve as a liaison between the JPT and the Parties' respective personnel. SST shall select the first JPT Leader and JPT Manager. Upon completion of Phase II Development, Daré shall select the JPT Leader and JPT Manager for subsequent Development and Commercialization activities; provided, however, that if Daré directs SST to lead subsequent Development and Commercialization activities, then the JDC shall determine by consensus (subject to Section 3.1.4) which Party shall select the JPT Leader and JPT Manager for subsequent Development and Commercialization activities.

4.DEVELOPMENT OF LICENSED PRODUCTS.

Approval of Development Plan; Annual Updates

. The initial Development Plan shall be as set forth in Exhibit 2 hereto and shall (a) cover Phase II Development up to and including the End of Phase IIA FDA Meeting and any immediate follow-up Phase II Development activities directly resulting from such meeting and (b) a non-binding, high level projection of the Phase II Development activities to be undertaken thereafter. Promptly after the End of Phase IIA FDA Meeting, the JPT shall meet to prepare, and shall submit to the JDC for approval, an updated Development Plan covering detailed Development Activities for the remainder of the 2018 calendar year. The Parties shall use Commercially Reasonable Efforts to achieve JDC approval of such updated Development Plan as soon as practicable after the End of Phase IIA FDA Meeting. Thereafter, updates to the Development Plan shall be submitted to the JDC, and the Development Plan shall be updated in accordance with Article 3, by January 1 of each calendar year in which either Party anticipates conducting Development Activities to cover Development activities to be undertaken during the following calendar year. The JDC will determine an annual Development Plan budget, and such budget will include funding by Daré that will be directed to SST at mutually agreed times in accordance with Section 4.4 to cover the entire cost of the SST activities undertaken to support the Development Plan.

SST Responsibilities

. The Development Plan shall include (and shall be amended from time to time) to include timelines and budgets for Phase II Development, and SST shall use Commercially Reasonable Efforts to complete Phase II Development in accordance with the same. SST shall keep Daré completely and currently informed of the status of such Phase II Development. If, after discussion at the JDC, Daré requests that SST perform Development activities other than the Phase II Development, the JPT shall submit an updated Development Plan to the JDC for approval, and upon approval of the updated Development Plan by the JDC, SST use Commercially Reasonable Efforts to complete such Development activities in accordance with such updated Development Plan, provided SST reasonably determines that such Development

activities are within its capabilities and that it has sufficient resources available to devote to the conduct of such Development activities. SST shall provide its reasonable assistance to effect the orderly transfer to Daré of the Phase II Development Know-How that exists in tangible and written form promptly upon completion of Phase II Development.

Daré Responsibilities

. Except with respect to the Development activities required to be performed by SST under Section 4.2, Daré shall use Commercially Reasonable Efforts to Develop Licensed Products in the Field of Use in the Territory, including by performing Phase III Clinical Studies and other Development activities in accordance with the corresponding timelines set forth in Development Plan, all at Daré's sole cost and expense, unless Daré requests that SST be responsible, in which case SST shall be responsible for such Development, and the provisions of this Agreement applicable to SST's Development Activities, including reimbursement of SST Development Costs, will apply. Without limiting the foregoing, Daré shall use Commercially Reasonable efforts to achieve the following clinical and regulatory milestones with respect to the first Licensed Product on or before the following dates:

Milestone	**Target Completion Date**
Initiation of Phase III Development	[***]
NDA Submission	[***]
NDA Approval	[***]

In the event that, despite the use of Commercially Reasonable Efforts, Daré becomes aware that, due to any relevant scientific, regulatory, safety, development, or commercial circumstances beyond the reasonable control of Daré or any of its Affiliates, any of the foregoing Development milestones will not be achieved on or before their corresponding target completion dates, then Daré will promptly notify SST in writing and the Parties will confer in good faith at the JDC to approve a revised Development Plan that accommodates for such circumstances and to amend the target completion dates set forth above in accordance with such revised Development Plan. For the avoidance of doubt, failure to achieve the milestones set forth above by their target completion dates shall not be deemed a breach of this Agreement provided that Daré has used Commercially Reasonable Efforts to perform its Development obligations hereunder.

SST Development Costs

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4.4.1 SST shall use Commercially Reasonable Efforts to incur SST Development Costs within the parameters of the Development Plan budget, and SST shall not exceed the Development Plan budget without approval of the JDC, except in accordance with the process described in Section 3.1.5. SST shall consult and confer with Daré at the JDC prior to engaging any FTE to the Development Plan other than SST's FTEs who performed Development activities with respect to Licensed Products in the Field of Use as of January 2, 2018, and shall reasonably consider Daré's personnel recommendations in connection with any such engagement.

4.4.2 Promptly after the Effective Date SST shall submit an invoice to Daré for any and all reasonable SST Development Costs incurred by SST in connection with Development activities undertaken by SST with respect to Licensed Products in the Field of Use from and after January 2, 2018 until the Effective Date, less any portion of such amounts reimbursed by Daré prior to the issuance of such invoice, and shall accompany such invoice with documentation supporting all such amounts. Daré shall pay such invoice within ten (10) days after receipt. For the avoidance of doubt, SST Development Costs and any other amounts paid by Daré to SST under or in connection with this Agreement or that certain Binding Term Sheet entered into by the Parties effective as of January 2, 2018 are non-refundable even in the event the Effective Date does not occur.

4.4.3 The Parties acknowledge and agree that their intent is for Daré to be responsible for all of the reasonable internal and external costs and expenses (without mark-up) incurred by SST in its performance of all Development activities it is required to perform under this Agreement, including FTE Costs (collectively, the "**SST Development Costs**"). Accordingly, Daré shall pay SST for the SST Development Costs within forty-five (45) days after receipt of an undisputed invoice from SST for such amounts that are supported with reasonable documentation for the amounts charged in such invoice. SST shall issue such invoices in accordance with the payment schedule set forth in the Development Plan, and each invoice shall reasonably detail each cost and expense, including for each FTE the identity of the FTE, the tasks performed by the FTE, and the time spent on each such task. If no such payment schedule is provided for any particular SST Development Costs, SST shall issue the corresponding invoice(s) in accordance with Section 4.4.6. For the avoidance of doubt, unless otherwise agreed to by the Parties in writing, SST will not be required to perform any activities under the Development Plan for which funding by Daré is not provided, and SST may, upon ten (10) Business Days' notice to Daré, suspend its performance of Development activities for any period during which Daré is in default of its payment obligations under this Article 4.

4.4.4 In the event the SST Development Costs actually incurred by SST in a particular calendar quarter for one or more particular Development activities are less than the sum of the amounts advanced or reimbursed to SST in respect of such Development activities pursuant to Section 4.4.3, and to the extent any such difference in those amounts is attributable to costs which were not and never will be incurred by SST in the course of conducting the SST Development Activities (rather than costs which have been deferred to a subsequent calendar quarter), then the amount of such difference shall be credited against the next payment due to SST under Section 4.4.3 and such subsequent payment amount shall be correspondingly reduced.

4.4.5 In the event the SST Development Costs actually incurred by SST in a particular calendar quarter for one or more particular Development activities are more than sum of the amounts advanced or reimbursed to SST in respect of such Development activities pursuant to Section 4.4.3, then the amount by which the SST Development Costs actually incurred during such calendar quarter are more than the sum of the amounts advanced or reimbursed to SST in respect of such Development activities pursuant to Section 4.4.3 shall be added to the next payment due to SST under the Development Plan, and such subsequent payment amount shall be correspondingly increased.

4.4.6 SST shall submit to Daré at least once per calendar quarter a report setting forth its calculation of the SST Development Costs actually incurred by it for the preceding quarter (including breakdowns and details), and any difference between the actual SST Development Costs and the sum of the amounts advanced or reimbursed to SST pursuant to Section 4.4.3. SST shall also submit a final report setting forth the total amount of the SST Development Costs actually incurred under this Agreement and the total amount of payments received from Daré pursuant to Section 4.4.3 within thirty (30) days following the earlier of (a) completion of all Development activities it is required to perform under this Agreement or (b) termination of this Agreement in whole. In the event that funding amounts paid by Daré to SST under Section 4.4.3 exceed the actual SST Development Costs incurred by SST, SST shall refund the excess amount to Daré contemporaneously with the delivery of the aforementioned final report. In the event that funding amounts paid by Daré to SST under Section 4.4.3 are less than the actual SST Development Costs ultimately incurred by SST, Daré shall pay SST the amount of such difference within forty-five (45) days after the delivery of the aforementioned final report.

4.4.7 SST will keep complete and accurate books and records documenting amounts billable towards SST Development Costs, including FTE records, and will permit Daré to review such books and records promptly upon reasonable written request. Also, Daré shall have the right, at its own expense, to nominate an independent certified public accountant acceptable to and approved by SST, said approval not to be unreasonably withheld, who shall have access to all such records upon at least thirty (30) days' notice and during reasonable business hours and at SST's premises and under obligations of strict confidence for the sole purpose of verifying the amounts invoiced by SST to Daré in respect of SST Development Costs for any period within the preceding twenty-four (24) month period, but this right may not be exercised more than once in any twelve (12) months. No calendar year will be subject to audit under this Section 4.4.7 more than once. SST will receive a complete, unredacted copy all reports and findings from any audit under this Section 4.4.7 concurrently with receipt by Daré. If any audit or examination shall certify that SST overcharged Daré for SST Development Costs, and the results of such audit or examination are not subject to a good faith dispute, SST shall reimburse Daré of such overcharge plus interest at the prevailing prime rate reported in United States dollars in the money rate section of Wall Street Journal, New York edition on the date of communication to Daré of such overcharge plus two percent (2%). Payment shall be made within thirty (30) days following notification of SST by Daré of such deficiency. In addition, in the event that such an audit or examination shall certify an overcharge equaling or exceeding five percent (5%), and the results of such audit or examination are not subject to a good faith dispute, SST shall also reimburse Daré for the reasonable costs charged by the accountant for such audit.

Suspension of Development

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4.5.1 At any time prior to completion of Phase II Development, SST shall have the right, on a country-by-country basis, to suspend its activities with respect to the Development of one or more Licensed Products upon reasonable prior written notice to Daré if it reasonably determines and if it reasonably demonstrates at the JDC that such suspension is (i) medically necessary to protect patients enrolled in a Clinical Study, (ii) necessary in order to comply with applicable Laws, or (iii) justified based on a change to the regulatory pathway needed

to achieve Marketing Authorization Approval for the Licensed Product in the relevant country that neither Party nor its Affiliates anticipated, and that negatively and materially affects the timeline to get the Licensed Product to market, the scope of the required clinical studies, is substantially more restricted than the Parties anticipated, and has negative consequences for anticipated market share, revenue, reimbursement, or other relevant factors. SST shall not suspend its Development activities under the foregoing clause (iii) unless it has first submitted the matter to the JDC for resolution. Any such suspension shall be without liability to Daré and will not be deemed to be a breach of this Agreement so long as SST uses Commercially Reasonable Efforts to mitigate the reasons for the suspension or delay; provided however, that if any such suspension continues for a period of [***] ([***]) days or more (or such shorter time period as determined by Daré to avoid adversely affecting Development of the affected Licensed Product), Daré shall have the right, upon written notice to SST, to assume responsibility for the conduct of, and shall use Commercially Reasonable Efforts to carry out all suspended Development activities in accordance with the Development Plan, at its sole cost and expense.

4.5.2 In the event that Daré materially suspends or materially delays the Development or Commercialization of any Licensed Product in any country of the Territory for any of the reasons set forth in clauses (i) through (iv) of Section 4.5.1. Daré shall provide prompt written notice to SST. Any such suspension or termination shall be without liability to SST and will not be deemed to be a breach of this Agreement so long as Daré has used Commercially Reasonable Efforts to mitigate the reasons for the suspension or delay; provided however, that if any such suspension continues for a period of [***] ([***]) days or more, the Licensed Product shall cease to be a Licensed Product in the relevant country and the provisions of Section 14.5.1 shall apply.

5.COMMERCIALIZATION.

Commercialization Plan

. No later than six (6) months prior to the estimated date of Marketing Authorization Approval in the United States, Daré shall provide SST with a written plan for the commercialization of Licensed Products in the Field of Use in the Territory (the "**Commercialization Plan**") including a corresponding budget, which shall include reasonable detail regarding the activities Daré expects to undertake, and the amounts it expects to expend in connection with such activities over the [***] ([***]) year period immediately following Marketing Authorization Approval in the United States. The Commercialization Plan shall be updated annually and shall include revenue projections for the first [***] ([***]) months covered by the Commercialization Plan. The Commercialization Plan shall, at a minimum, contain sufficient detail to demonstrate to SST how Daré intends to meet its obligations under Section 5.2. Daré shall provide SST with a reasonable opportunity to review and comments on the initial Commercialization Plan and each material update thereto, and Daré shall consider all such comments in good faith. Daré shall be responsible to Commercialize Licensed Products in substantial accordance with the Commercialization Plan and otherwise as expressly provided under this Agreement.

Diligence

. Daré shall use Commercially Reasonable Efforts to Commercialize Licensed Products in the Field of Use in the Territory, at its sole expense. Without

limiting the generality of the foregoing, Daré shall use Commercially Reasonable Efforts to Commercialize at least one (1) Licensed Product and achieve the First Commercial Sale in the United States within [***] ([***]) months after receipt of Marketing Authorization Approval therefor, and to Commercialize at least one (1) Licensed Product and achieve the First Commercial Sale in [***] within [***] ([***]) years after receipt of Marketing Authorization Approval in the United States.

5.3 Samples and Labeling.

5.3.1 Markings. Subject to the Parties' agreement as to which Licensed Patents Cover any Licensed Product, Daré shall, and shall require its Affiliates and Sublicensees to, mark all Licensed Products and all associated packaging and documentation with the appropriate marking and notices associated with the applicable Licensed Patents in accordance with the laws and customs of each country or jurisdiction in which such Licensed Products are manufactured, used or sold. To the extent permitted by applicable Law, the package insert for all Licensed Products distributed in the Field of Use in the Territory will indicate that the Licensed Product was developed under a collaboration with SST.

5.3.2 Statements Consistent with Labeling. Daré shall ensure that its employees, independent contractors and other agents market and sell Licensed Products consistent with the requirements of all applicable Laws. Daré shall ensure that all samples are labeled and distributed in accordance with applicable Law.

5.3.3 Off-Label Use. Daré shall not market or promote, nor shall it encourage any of its Affiliates, Sublicensees or any Third Parties to market or promote, any Licensed Products for any "off label" use or for any use other than the approved indication(s) for the particular Licensed Product. SST shall not market or promote, nor shall it encourage any of its Affiliates or its or their licensees, or any Third Parties, to market or promote, any SST Product or any [***] for any "off label" use or for any use other than the approved indications) for the particular [***]. Notwithstanding the foregoing, it shall not be a breach of this Section 5.3.3 if, despite a Party's written corporate policies and instructions provided to its employees and agents, a Party's employee or agent violates this Section 5.3.3 without knowledge, authorization, permission or consent of that person's management or supervisor, as long as such Party takes all reasonable steps to terminate such activities as soon as it becomes aware.

Generics

. Upon Daré's request any time after completion of the first Phase II Clinical Study for any Licensed Product, SST shall assist and cooperate with, and provide complete information to, Daré in support of Daré establishing a strategy for responding to requests for information from Regulatory Authorities and Third Party requestors and preparing submissions responsive to any notice, in each case in respect of generic products notices and inquiries received by Daré; provided that Daré shall make the final decisions with respect to such strategy and any such responses.

6.MANUFACTURING.

Manufacturing by SST

. SST shall use Commercially Reasonable Efforts to manufacture or otherwise obtain supply of the requirements of formulated, packaged and labeled SST Product for Phase II Clinical Studies in the United States.

Manufacturing by Daré

. Except as provided otherwise under Section 6.1, Daré shall use Commercially Reasonable Efforts to manufacture or otherwise obtain supply of the requirements of formulated, packaged and labeled pre-clinical, clinical and commercial supplies of Licensed Products, in each case in the Field of Use in the Territory. As between the Parties and except as provided otherwise under Section 6.1, Daré shall be solely responsible for manufacturing, packaging and labeling of such Licensed Products for the Field of Use for the Territory.

6.2.1 At Daré's request, SST will promptly provide Daré with copies of all Manufacturing Documentation in SST's possession or Control, and shall use Commercially Reasonable Efforts to obtain and provide to Daré copies of all other Manufacturing Documentation reasonably necessary for Daré to manufacture non-clinical, clinical and commercial supplies of SST Product. In addition, if requested by Daré, SST shall sell to Daré (or its Affiliates or Sublicensees) any remaining non-clinical and/or clinical supplies of SST Product owned by SST and in SST's (or its Third Party manufacturer's) possession as of the Effective Date. Such products will be sold to Daré at [***]. In addition, if requested by Daré, SST shall provide to Daré (or its Affiliates or Sublicensees), at no cost, any remaining non-clinical and/or clinical inventories of SST Product in SST's (or its Third Party manufacturer's) possession as of the completion of Phase II Development, where such inventories were funded by Daré per the Development Plan budget.

6.2.2 Upon Daré's request, SST shall provide all reasonably requested information and assistance to Daré so as to enable the full or partial transfer of the manufacture of the SST Product to a manufacturing facility designated by Daré. SST shall be responsible for the cost of its own employees in connection with providing such information and assistance to Daré. Any Third Party costs and expenses incurred by SST and reasonably necessary to provide such information and assistance to Daré shall be deemed SST Development Costs and, if material, shall be included in the Development Plan budget. Such assistance shall include, if requested by Daré: (a) permitting Daré and its representatives to observe the manufacture of SST Product at the facility used by SST for the manufacture of SST Product, (b) provision of reasonable access to and consultation of SST personnel knowledgeable of the manufacture of SST Product and (c) provision of all reasonable assistance to Daré in identifying, contacting and securing supply sources for SST Product. Prior to the start of the validation process of a Third Party facility, SST shall have the right to require that the Third Party facility enter into a reasonable agreement with Daré and/or its Third Party manufacturer that includes confidentiality obligations that are at least as protective of SST's Confidential Information as those set forth in Article 9.

Compliance with Laws

. Each Party shall conduct, or have conducted, all manufacturing of Licensed Product for which it is responsible in accordance with this Agreement and Laws, including all Good Manufacturing Practices.

7.REGULATORY MATTERS.

Responsibility

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7.1.1 Prior to the completion of Phase II Development, SST shall use Commercially Reasonable Efforts to implement the strategies set by the JDC with respect to all objectives concerning Marketing Authorization Approval of SST Product in the United States, and SST shall take the lead with respect to the submission of information to the FDA in connection therewith, all in accordance with the Development Plan. After the completion of Phase II Development, Daré shall use Commercially Reasonable Efforts to implement the strategies set by the JDC with respect to all objectives concerning Marketing Authorization Approval of Licensed Products in the Territory, and Daré shall take the lead with respect to the submission of information to the applicable Regulatory Authorities in connection therewith, all in accordance with the Development Plan. Notwithstanding the preceding sentence, Daré may request in writing that SST undertake any particular activities in relation to Marketing Authorization Approval of SST Product, whereupon SST shall use Commercially Reasonable Efforts to perform such activities in accordance with the Development Plan. All costs and expenses incurred by SST under this Section 7.1 (including all out-of-pocket expenses and FTE Costs) shall be deemed SST Development Costs and subject to reimbursement by Daré pursuant to Section 4.4.2. SST and Daré shall cooperate to transfer the active IND for the SST Product from SST to Daré for purposes of the FDA file and sponsor of record.

7.1.2 Daré shall be the IND holder and sponsor of record for all the Clinical Studies (other than Phase II Clinical Studies, for which SST shall be the sponsor of record) and the holder and owner of all the Marketing Authorization Approvals in the Territory for Licensed Products during the Term, and shall be responsible for all associated legal obligations with respect to all of the foregoing. Daré shall maintain all the Marketing Authorization Approvals for Licensed Products in the Territory, including submitting any supplemental applications, annual reports, variations or renewals thereof that are required by applicable Law to be obtained in order to maintain the Marketing Authorization Approval(s) in the Territory. Daré shall use its Commercially Reasonable Efforts, and bear its own costs and expenses, in connection with the foregoing and all other regulatory-related activities Daré undertakes or is required to undertake in the Territory. Daré shall not assign or transfer any Marketing Authorization Approvals in the Territory to any Third Party or Sublicensee without the prior written consent of SST, except in connection with a permitted assignment of this Agreement in its entirety pursuant to Section 15.11.

Communication

. Each Party shall keep the other Party informed of all significant matters arising from such Party's own regulatory-related activities with respect to Licensed Products and shall provide the other Party with a copy or a summary of any material correspondence that it receives from a Regulatory Authority regarding any Licensed Product, with such copy or summary to be provided in no later than five (5) Business Days after receipt of the correspondence to which it relates. Each Party shall provide the other Party reasonable advance written notice of any meetings, conferences, or calls with Regulatory Authority(ies) in the Territory concerning Licensed Products and an opportunity participate in any such meetings, conferences or calls, and to review and comment on any materials or correspondence proposed to

be submitted to any Regulatory Authority. Each Party shall give reasonable consideration to the other Party's comments and suggestions regarding all such meetings, conferences, calls and/or correspondence.

Right of Reference

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7.3.1 SST hereby grants to Daré and its Affiliates and Sublicensees a right of reference and access to all data and information contained or referenced in any Drug Master Files or any submissions to Regulatory Authorities for any SST Product or any [***] in the Territory that are reasonably necessary or useful for any regulatory filings Daré or its Affiliates or Sublicensees makes with respect to Licensed Products inside the Field of Use. SST will cause its Affiliates, and will obligate its and their licensees, to provide SST with the same right of reference and access as above, such that SST can fulfill the foregoing grant of rights to Daré. SST shall provide the applicable Regulatory Authority(ies) a letter confirming this right of reference at any time within fifteen (15) days after Daré's request and shall take such other actions and execute such other documents as Daré may reasonably request to further confirm and give effect to this right of reference, and Daré shall reimburse SST for its reasonable costs and expenses incurred in taking such other actions.

7.3.2 Daré hereby grants SST and its Affiliates and licensees a right of reference to all data and information contained or referenced in any Drug Master Files or any submissions to Regulatory Authorities for Licensed Products in the Territory that are reasonably necessary or useful for any regulatory filings SST or its Affiliates or licensees decides to make with respect to [***] outside the Field of Use. Daré will cause its Affiliates, and will obligate its Sublicensees, to provide SST with the same right of reference and access as above, such that Daré can fulfill the foregoing grant of rights to SST. Daré shall provide the applicable Regulatory Authority(ies) a letter confirming this right of reference at any time within fifteen (15) days after SST's request and shall take such other actions and execute such other documents as SST may reasonably request to further confirm and give effect to this right of reference, and SST shall reimburse Daré for its reasonable costs and expenses incurred in taking such other actions.

7.3.3 If Daré, or its Affiliates or Sublicensees, intends to make use of the rights granted under Section 7.3.1 in connection with any regulatory filings, Daré shall notify SST in writing at least thirty (30) days in advance of such use. Upon receipt of such notice, for any Third Party costs incurred by or on behalf of SST or any of its Affiliates for the generation of the data and information contained in the relevant Drug Master Files or submissions to Regulatory Authorities, where such costs and efforts are not contemplated by the Development Plan, SST shall provide Daré with an invoice for [***] percent ([***]%) of such costs, together with reasonable documentation substantiating the amounts invoiced; provided, however, that SST shall only issue such invoice to the extent such Third Party costs were incurred under or in connection with a *bona fide* research and development collaboration or similar arrangement with a Third Party for the Development and Commercialization of one or more topically applied pharmaceutical products containing sildenafil or a salt thereof. Daré shall pay all undisputed amounts shown on such invoice within thirty (30) days after receipt thereof.

7.3.4 If SST, or its Affiliates or licensees, intends to make use of the rights granted under Section 7.3.2 in connection with any regulatory filings, SST shall notify Daré in writing at least thirty (30) days in advance of such use. Upon receipt of such notice, Daré shall provide SST with a statement of the amount of any Third Party costs incurred by or on behalf of Daré (including Third Party costs comprised of SST Development Costs actually reimbursed hereunder) or any of its Affiliates for the generation of the data and information contained in the relevant Drug Master Files or submissions to Regulatory Authorities, together with reasonable documentation substantiating the amounts invoiced. Daré may reduce each of its future payment obligations to SST by up to ([***]%) until such time as the aggregate amount of all reductions taken by Daré pursuant to this provision equals ([***]%) of the amount shown on such statement.

7.3.5 Notwithstanding anything to the contrary, Daré's payment obligation under Section 7.3.2, and Daré's right to reduce its payments to SST under Section 7.3.4 shall not apply where the corresponding right of reference is utilized solely to comply with a legal obligation to supply information to a Regulatory Authority about an Adverse Event. Furthermore, if Daré disagrees with the amount SST determines it is entitled to be paid by Daré pursuant to Section 7.3.3, or if SST disagrees with the amount Daré determines it is entitled to deduct from its payments to SST pursuant to Section 7.3.4, Daré or SST, as the case may be, shall promptly notify the other Party in writing and the Parties shall use diligent efforts to resolve the dispute through good faith discussion, which shall include escalation to the Senior Executives if such dispute is not promptly resolved. If the Senior Executives do not resolve the dispute within fifteen (15) days after such escalation, either Party may submit the dispute for arbitration pursuant to Section 14.8 hereof.

Drug Safety Information

. Each Party shall comply fully with all applicable Adverse Event reporting requirements in all countries in the Territory and agrees to exchange with the other Party such information as may be necessary to achieve that end and to ensure that the other Party is completely informed regarding Adverse Events with respect to Licensed Products. This includes single case reports, together with an appropriate medical evaluation, as well as aggregate data, such as Periodic Safety Update Reports (PSURs) required by authorities.

Recalls or Corrective Action

. Daré shall have sole responsibility for and shall make all decisions with respect to any recall, market withdrawal or other corrective action related to Licensed Products in the Territory, *provided*, *however*, that Daré shall notify SST as soon as reasonably practicable of any anticipated recall, market withdrawal or other corrective action related to Licensed Products in the Territory, shall consult with SST prior to making any such decisions and shall take into account SST's views and interests in making such decisions. Daré shall be solely responsible for all costs and expenses associated with such recall, market withdrawal or corrective action, whether incurred by Daré, SST or any of SST's Affiliates, including all fines, fees and refunds to distributors and other customers. If, after delivery of such written notice, Daré fails to commence such recall, market withdrawal or other corrective action within the time period mandated by applicable Law or, then SST shall have the right, upon prior notice to Daré, to undertake the same on its own behalf, in accordance with applicable Law and all of Daré's reasonable instructions with respect thereto until such time as Daré notifies SST in writing that it will assume control over such recall, market withdrawal or corrective action. Daré

shall reimburse SST for its reasonable costs and expenses directly incurred in such efforts. SST will notify Daré as soon as reasonably practicable of any anticipated recall, market withdrawal or other corrective action related to SST Products.

8.MILESTONE AND ROYALTY PAYMENTS.

As partial consideration for the contributions and activities of SST under this Agreement and the rights granted by SST to Daré hereunder, Daré shall make the following payments to SST as set forth in this Article 8:

Milestone Payments

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8.1.1 In the event SST or Daré achieves a clinical, regulatory or commercial milestone specified below with respect to any Licensed Product (including achievement of any milestone by any Affiliate of SST or any Affiliate or Sublicensee of Daré), then SST or Daré or Daré's Sublicensee, as applicable, shall promptly notify the other Party in writing of such achievement. Each milestone payment is due only once (unless indicated otherwise) for the first achievement of the milestone for the first Licensed Product, and only as indicated in Sections 8.1.2 and 8.1.3 below.

8.1.2 Within thirty (30) days after achievement of any clinical or regulatory milestone, Daré shall pay to SST the corresponding non-refundable, non-creditable development milestone payments specified in the table below:

Milestone	**Base Amount**	**Supplement for U.S. Strategic Partnership Agreement**	**Supplement for EU Strategic Partnership Agreement**
Clinical Milestones			
Completion of the first Phase IIb Clinical Study that exhibits a clinically significant difference in SST Product efficacy compared to placebo for the treatment of Female Sexual Arousal Disorder or a similar indication with pre-specified endpoints agreed to by FDA and supporting advancement towards Phase III Development.	$[***]	[***]	[***]
Completion of multiple dose safety and pharmacokinetic Clinical Study in accordance with the Development Plan	$[***]	[***]	[***]

Completion of drug interaction Clinical Study in accordance with the Development Plan	$[***]	[***]	[***]
Completion of End of Phase II FDA Meeting permitting advancement to Phase III Development	$[***]	$[***]	[***]
Completion of the first Phase III Clinical Study where the results of such Clinical Study meet the Clinical Study's primary clinical endpoints.	$[***]	[***]	[***]
Completion of the second successful Phase III Clinical Study where the results of such Clinical Study meet the Clinical Study's primary clinical endpoints.	$[***]	$[***]	[***]
Regulatory Milestones			
NDA Acceptance (payable on each occurrence for each new indication)	$[***]	[***]	[***]
NDA Approval (payable on each occurrence for each new indication)	$[***]	$[***]	[***]
Marketing Authorization Approval in any country in the European Union (payable one (1) time per indication on the first occurrence for each indication)	$[***]	[***]	$[***]
First Marketing Authorization Approval outside of United States or European Union (payable on each occurrence for each new indication)	$[***]	[***]	[***]

For each clinical milestone and regulatory milestone achieved, Daré shall pay the sum of the corresponding amount set forth under the column entitled "Base Amount" plus, as applicable (a) the corresponding supplemental amount, if any, set forth under the column entitled "Supplement for U.S. Strategic Partnership Agreement" (if, at the time the milestone is achieved, Daré has entered into a U.S. Strategic Partnership Agreement) and (b) the corresponding supplemental amount, if any, set forth under the column entitled "Supplement for EU Strategic Partnership Agreement" (if, at the time the milestone is achieved, Daré has entered into an EU Strategic Partnership Agreement). For example, upon the first NDA Approval for a particular indication, the milestone payment due to SST would be $[***] if the milestone was achieved prior to Daré entering into any U.S. Strategic Partnership Agreement, or $[***] if the milestone was achieved

after Daré entered into a U.S. Strategic Partnership Agreement. All clinical and regulatory milestones are intended to be cumulative, such that if a later clinical or regulatory milestone is achieved prior to the achievement of one or more earlier clinical or regulatory milestones, the earlier clinical and/or regulatory milestone(s) will be deemed to have been achieved at the time the later milestone is achieved, and the corresponding milestone payment(s) shall be due and payable in accordance with this Section 8.1.

8.1.3 Within thirty (30) days after achievement of any commercial milestone, Daré shall pay to SST the corresponding non-refundable, non-creditable development milestone payments specified in the table below:

Commercial Milestones			
	Base Amount	**Supplement for EU Strategic Partnership Agreement and no U.S. Strategic Partnership Agreement**	**Supplement for U.S. Strategic Partnership Agreement with or without an EU Strategic Partnership Agreement**
Annual Worldwide Net Sales reaches $[***]	$[***]	[***]	[***]
Annual Worldwide Net Sales reaches $[***]	$[***]	[***]	[***]
Annual Worldwide Net Sales reaches $[***]	$[***]	$[***]	$[***]
Annual Worldwide Net Sales reaches $[***]	$[***]	$[***]	$[***]
Annual Worldwide Net Sales reaches $[***]	$[***]	$[***]	$[***]
Annual Worldwide Net Sales reaches $[***]	$[***]	$[***]	$[***]
Annual Worldwide Net Sales reaches $[***]	$[***]	$[***]	$[***]

8.1.4 For commercial milestones, Daré shall pay the sum of the corresponding amount set forth in the column entitled "Base Amount" plus, as applicable (a) the corresponding supplemental amount, if any, set forth in the column entitled "Supplement For EU Strategic Partnership Agreement (and no U.S. Strategic Partnership)" (if, as of the date the milestone is achieved, Daré has entered into a EU Strategic Partnership Agreement but has not entered into a U.S. Strategic Partnership Agreement) or (b) the corresponding supplemental amount, if any, set forth in the column entitled "Supplement For U.S. Strategic Partnership Agreement with or without an EU Strategic Partnership" (if, as of the date the milestone is

achieved, Daré has entered into a U.S. Strategic Partnership Agreement, whether or not Daré has also entered into an EU Strategic Partnership Agreement). For example, if Annual Worldwide Net Sales reaches $[***], the milestone payment due to SST would be $[***] if the milestone was achieved prior to Daré entering into any U.S. Strategic Partnership Agreement, or $[***] if the milestone was achieved after Daré entered into a U.S. Strategic Partnership Agreement, or $[***] if the milestone was achieved prior to Daré entering into any U.S. Strategic Partnership Agreement but after Daré entered into an EU Strategic Partnership Agreement. All commercial milestones are intended to be cumulative, such that if more than one (1) commercial milestone is achieved during the same calendar year, each such milestone shall be deemed to have been achieved, and the corresponding milestone payment(s) shall be due and payable in accordance with this Section 8.1.

8.1.5 It is the intent of the Parties that the achievement of any milestone under Section 8.1.2 or 8.1.3 shall result in a payment to SST *either* pursuant to Section 8.1 *or* pursuant to Section 8.3. Accordingly, and notwithstanding anything to the contrary, if Daré receives a milestone payment from any Sublicensees for the achievement of any of the clinical, regulatory or commercial milestones set forth in Sections 8.1.2 and/or 8.1.3, and the amount of such milestone payment qualifies as Sublicense Income in accordance with the proviso in the first sentence of Section 1.86 (*i.e.,* because such milestone payment received by Daré exceeds [***] ([***]) times the amount of the corresponding milestone payment otherwise payable by Daré to SST under Section 8.1.2 or 8.1.3, as applicable), such corresponding milestone payment payable by Daré to SST shall not be due or payable to SST, and SST shall instead receive, in accordance with Section 8.3, the payment due to SST in respect of the Sublicense Income attributable to the milestone payment received by Daré.

8.2 Royalties.

8.2.1 Net Sales Royalties. During the Royalty Term, Daré will pay quarterly royalties to SST based on Annual Worldwide Net Sales of Licensed Products by Daré and its Affiliates (including amounts received from distributors and resellers), which royalties are marginal as set forth in the table below. For clarity, only one royalty shall be due to SST with respect to the sale of the same unit of a Licensed Product, and Daré shall not owe royalties on Licensed Products sold in a country after expiration of the Royalty Term for such Licensed Product in such country.

Royalty Rate	**Annual Worldwide Net Sales by Dare and its Affiliates**
[***]%	< $[***]
[***]%	Portion of Annual Worldwide Net Sales from $[***] but less than and $[***]
[***]%	Portion of Annual Worldwide Net Sales from $[***] but less than $[***]

[***]%	Portion of Annual Worldwide Net Sales from $[***] but less than $[***]
[***]%	Portion of Annual Worldwide Net Sales that is $[***] or greater

8.2.2 Timing of Royalty Payments. Daré shall make all royalty payments for Net Sales received during each calendar quarter within forty-five (45) days after the end of such calendar quarter.

8.2.3 Discounts and Bundling. To the extent permitted by applicable Laws, Daré shall not, and shall ensure that its Affiliates and Sublicensees do not, sell a Licensed Product to any Third Party at a discount greater than that allowed by applicable Laws or that which is customary in the industry (and Daré shall not be entitled to deduct the excess portion of such discount in the calculation of Net Sales in respect of such sale). In addition, to the extent permitted by applicable Laws, if Daré or any of its Affiliates or Sublicensees sells the Licensed Product to a customer who also purchases Other Products from any such entity, Daré agrees not to, and shall require its Affiliates and their Sublicensees not to, bundle or include the Licensed Product as part of any multiple product offering in a manner that (a) is reasonably likely to disadvantage such Licensed Product in order to benefit sales or prices of Other Products offered for sale by Daré or its Affiliates or Sublicensees to such customer or (b) is designed to deprive SST from the benefit of the definition of Net Sales and corresponding royalty and Sublicense Income payments hereunder. Without limiting the foregoing, in the event that a Licensed Product is included as a "bundle" of products and/or services, Daré may discount the *bona fide* list price of a Licensed Product by no more than the average percentage discount of all products in a particular "bundle," calculated as [***], where [***] equals the total discounted price of a particular "bundle" of products, and [***] equals the sum of the undiscounted *bona fide* list prices of each unit of every product in such "bundle."

8.2.4 Calculation of Net Sales for Combination Products. With respect to Combination Products, if Licensed Products are sold in the form of Combination Products containing one or more pharmaceutical or biologics products, diagnostic products, or active ingredients other than sildenafil, Net Sales for the Combination Product will be calculated by multiplying actual Net Sales of such Combination Product by the fraction [***] where [***] is the invoice price of a Licensed Product containing sildenafil as the only active ingredient if sold separately, and [***] is the total invoice price of all other active component or components, or devices, in the combination, if sold separately. If, on a country-by-country basis, the other active component or components in the combination are not sold separately in said country, Net Sales for the purpose of determining royalties of the Combination Product shall be calculated by multiplying actual Net Sales of such Combination Product by the fraction [***] where [***] is the invoice price of either the Licensed Product containing sildenafil as the only active ingredient, if sold separately, and [***] is the invoice price of the Combination Product. If, on a country-by-country basis, neither such Licensed Product nor the other active component or components of the Combination Product is sold separately in said country, Net Sales for the purposes of determining

royalties of the Combination Product shall be determined by the Parties in good faith based on the relative value of the Licensed Product and the additional active ingredients that are included in the Combination Product.

8.2.5 Royalty Reduction Upon Loss of Patent Coverage. If, in a particular country, a Licensed Product ceases to be Covered by a Valid Claim of Licensed Patents in such country, the royalty rate applicable to Net Sales of such Licensed Product in such country shall be reduced by [***] percent ([***]%). The foregoing reduction shall not apply to any Net Sales of a Licensed Product in a country by Daré or its Affiliates or Sublicensee after such time, if any, during the Royalty Term applicable to such Licensed Product, as such Licensed Product becomes Covered by a Valid Claim of at least one Licensed Patent in such country, for so long as it continues to be Covered by at least one such Valid Claim.

8.2.6 Royalty Reduction for Generic Presence. If one or more Generic Products (other than a Generic Product sold by Daré or its Affiliates or Sublicensees) with respect to a particular Licensed Product is sold commercially in a particular country at any time at least six (6) months prior to Daré or its Affiliates' or Sublicensee's receipt of Net Sales in respect of such Licensed Product in such country ("**Generic Product Presence**"), then the royalty rate applicable under Section 8.2.1 in respect of such Net Sales will be reduced by [***] percent ([***]%).

8.2.7 Royalty Offset for Third Party IP.

(a)If, following the Effective Date, it is necessary for Daré or an Affiliate to license one or more Patents in the Territory from one or more Third Parties in order to Commercialize any Licensed Product in the Territory, then Daré or its Affiliate will have the right to, and may, in its sole discretion, negotiate and obtain a license under such Patents with respect to Licensed Products (each such Third Party license is referred to herein as a "**Necessary Third Party License**"). A license to Third Party Patents will be deemed "necessary" under this Section 8.2.7(a) if (i) in the absence of a license under such Third Party Patents, the Commercialization of the applicable Licensed Product would, in Daré's or its Affiliate's reasonable good faith assessment, upon advice of patent counsel, infringe such Third Party Patents and (ii) the infringement would not be the result of any change(s) to any Licensed Product (including the SST Product) made by or on behalf of Daré, any Affiliate thereof, or any Sublicensee following the first milestone event identified in Section 8.1.2 (including a change to the formulation, approved use, or manufacture thereof). If Daré or an Affiliate enters into one or more Necessary Third Party Licenses in accordance with the preceding sentence under which Daré or its Affiliate is required to pay royalties to such Third Party(ies) in order to practice the Licensed IP or to otherwise make, use, sell, or import the SST Product or any Licensed Product, then Daré may credit [***] percent ([***]%) of the royalties paid to such Third Party(ies), with respect to Net Sales in the country(ies) where the Third Party license is necessary, during a calendar quarter against royalties payable by Daré to SST under Section 8.2.1 for such Licensed Product in such calendar quarter, provided, however, no royalty payment to SST be reduced as a result of this Section 8.2.7(a) to less than [***] percent ([***]%) of what would otherwise have been due in the absence of such reduction.

(b)If, following the Effective Date, Daré or an Affiliate licenses one or more Patents in the Territory from one or more Third Parties in order to Commercialize any Licensed Product in the Territory, which license is not a Necessary Third Party License, Daré or its Affiliate will have the right to, and may, in its sole discretion, negotiate and obtain a license under such Patents with respect to Licensed Products (each such Third Party license is referred to herein as a "**Elective Third Party License**"). If Daré or an Affiliate enters into one or more Elective Third Party Licenses in accordance with the preceding sentence under which Daré or its Affiliate is required to pay royalties to such Third Party in order to practice the Licensed IP or to otherwise make, use, sell, or import the SST Product or any Licensed Product, then Daré may deduct from its payments to SST under Section 8.2.1 an amount equal to [***] percent ([***]%) of the total, aggregate royalty payments made by or on behalf of Daré or its Affiliate to such Third Parties, with respect to Net Sales in the country(ies) where the Third Party license is necessary, under all such Elective Third Party Licenses to the extent the payment of such royalties is allocable to the sale by Daré or its Affiliates or Sublicensees of Licensed Products during the calendar quarter in which such deduction is made, provided, however, no royalty payment to SST be reduced as a result of this Section 8.2.7(b) to less than [***] percent ([***]%) of what would otherwise have been due in the absence of such reduction..

(c)Sublicensees shall also have the benefit of the royalty offset described in this Section 8.2.7 with respect to license agreements entered into by such Sublicensee with a Third Party under which the Sublicensee licenses in patent rights for which it is required to pay royalties to such Third Party as described above, but only where the such license agreement would qualify as a Necessary License Agreement if such license agreement had been entered into by Daré.

8.2.8 Maximum Royalty Deduction. The maximum aggregate royalty reductions applied to a particular royalty payment hereunder with respect to any given Licensed Product as a result of Sections 8.2.5, 8.2.6 and 8.2.7 shall not exceed [***] percent ([***]%) of the corresponding royalty rate identified in Section 8.2.1.

Sublicense Income

. Daré shall pay SST, within sixty days (60) days after the end of each calendar year, on a Sublicensee-by-Sublicensee basis as consideration for a sublicense grant under this Agreement, the greater of (a) [***] percent ([***]%) of any Sublicense Income received by Daré or any of its Affiliates from the Sublicensee during the applicable calendar year or (b) royalties on the Net Sales of Licensed Products by such Sublicensee or any of its Affiliates during such calendar year during the Royalty Term. The royalty rates (which rates are subject to deductions as permitted in Sections 8.2.5, 8.2.6 and 8.2.7, and to the maximum deduction described in Section 8.2.8) shall be based on the amount of Net Sales generated by all Sublicensees in the aggregate, as follows:

Royalty Rate	Net Sales Received by all Sublicensees under at least one (1) of the following: (a) U.S. Strategic Partnership Agreements, (b) EU Strategic Partnership Agreements or (c) all other sublicenses combined
[***]%	< $[***]
[***]%	Portion of annual Net Sales from $[***] but less than $[***]
[***]%	Portion of annual Net Sales that is $[***] or greater

For the avoidance of doubt, any royalties received by Daré in respect of sales of Licensed Products by any Sublicensees shall be considered Sublicense Income and subject to the provisions of this Section 8.3, but shall not be included in Annual Worldwide Net Sales for purposes of calculating royalties payable Daré under Section 8.2.

Net Sales and Sublicense Income Reports

. Within sixty (60) days following the end of each calendar quarter, Daré shall submit to SST a written statement reporting Annual Worldwide Net Sales on a Licensed Product-by-Licensed Product, country-by-country basis during such calendar quarter, the year-to-date, total royalty payments due SST in respect of such Annual Worldwide Net Sales, the amounts of Sublicense Income received by Daré on Licensed Product-by-Licensed Product, country-by-country basis during such calendar quarter, total Sublicense Income payments due SST in respect of such Sublicense Income, and information supporting the calculation of such Net Sales and Sublicense Income.

Payment Terms

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8.5.1 All sums due to SST shall be payable in United States dollars by bank wire transfer in immediately available funds to such bank account(s) as SST shall designate, and shall be payable within forty-five (45) days following receipt of SST's invoice.

8.5.2 When Licensed Products are sold for monies other than United States dollars, the Net Sales of such Licensed Products will first be determined in the foreign currency of the country in which such Licensed Products were sold and then converted into equivalent United States funds. The exchange rate will be the applicable rate published by the Wall Street Journal on the last Business Day of the calendar quarter in which such royalties accrued.

8.5.3 Where royalties are due for Net Sales in a country where by reason of currency regulations of any kind it is impossible to make royalty payments for that country's Net Sales in accordance with Section 8.5.1, said royalties shall be deposited in whatever currency is allowable for the benefit or credit of SST in an account designated by SST in an accredited bank in that country.

8.5.4 In case of any delay in payment by Daré to SST, interest on the overdue payment shall accrue at an annual interest rate, compounded monthly, equal to the prime

rate as reported in money rate section of The Wall Street Journal, New York edition, as determined for each month on the last business day of that month plus [***] percent ([***]%), or if lower, the maximum rate allowed by applicable Laws, assessed from the day payment was initially due. The foregoing interest shall be due from Daré in response to an invoice therefor.

Tax Withholding, Financial Records and Audits

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8.6.1 Daré will make all payments to SST under this Agreement without deduction or withholding for taxes except to the extent that any such deduction or withholding is required by law in effect at the time of payment.

8.6.2 If laws or regulations require Daré to withhold any taxes from royalty or advance payments made to SST under this Agreement, then such taxes shall be deducted by Daré as required by law from such remittable royalty, milestone or similar payments and shall be paid by Daré to the proper tax authorities. Official receipts of payment of any withholding tax shall be secured and sent to SST as evidence of such payment.

8.6.3 Daré and SST will cooperate with respect to all documentation required by any taxing authority or reasonably requested by Daré to secure a reduction in the rate of applicable withholding taxes.

8.6.4 SST shall have the right, at its own expense, to nominate an independent certified public accountant acceptable to and approved by Daré, said approval not to be unreasonably withheld, who shall have access to Daré's records upon at least thirty (30) days' notice and during reasonable business hours and at Daré's premises and under obligations of strict confidence for the purpose of verifying the amounts payable by Daré under this Agreement for any period within the preceding twenty-four (24) month period, but this right may not be exercised more than once in any twelve (12) months except for re-audits performed by SST following a certified deficiency of any payment to SST during an audited period by two percent (2%) or more. No calendar year will be subject to audit under this Section 8.6.4 more than once. The accountant shall disclose to SST only information relating to the accuracy of the amounts payable by Daré under this Agreement. Daré will receive a complete, unredacted copy of all reports and findings from any audit under this Section 8.6.4 concurrently with receipt by SST. If any audit or examination shall certify a deficiency of any payment due hereunder, and the results of such audit or examination are not subject to a good faith dispute, Daré shall make payment to SST of such deficiency plus interest at the prevailing prime rate reported in United States dollars in the money rate section of Wall Street Journal, New York edition on the date of communication to Daré of such deficiency plus two percent (2%) for the period of such deficiency. Payment shall be made within thirty (30) days following notification of Daré by SST of such deficiency. In addition, in the event that such an audit or examination shall certify a deficiency of any royalty payment due in an amount equaling or exceeding five percent (5%) of Daré's accounting of the undisputed amounts due during the audited period, and the results of such audit or examination are not subject to a good faith dispute, Daré shall also reimburse SST for the reasonable costs charged by the accountant for such audit. Any certified overpayment shall be creditable against future payments owed by Daré.

No Other Compensation

. Neither Party will be obligated to pay any additional fees, milestone payments, royalties or other payments of any kind to the other hereunder.

9.CONFIDENTIAL INFORMATION.

Definition

. "**Confidential Information**" means confidential or proprietary information, data or know-how, whether provided in written, oral, visual or other form, provided by one Party (the "**Disclosing Party**") to the other Party (the "**Receiving Party**") in connection with this Agreement, including the terms of this Agreement and information relating to the Disclosing Party's existing or proposed research, development efforts, Patent applications, business or products, including Licensed Know-How. Confidential Information shall not include any such information that: (a) is already rightfully known to the Receiving Party or its Affiliates (other than under an obligation of confidentiality at least as stringent as required in this Agreement) at the time of disclosure (as evidenced by written records of the Receiving Party); (b) is or becomes generally available to the public other than through any wrongful act or omission of the Receiving Party or its Affiliates, including breach of this Agreement by the Receiving Party or its Affiliates; (c) is disclosed to the Receiving Party or its Affiliates without an obligation of confidentiality by a Third Party who had no separate nondisclosure obligation to the Disclosing Party in respect of such information; or (d) is independently discovered or developed by or on behalf of the Receiving Party or its Affiliates without the use of or reference to the Confidential Information of the Disclosing Party (as evidenced by written records of the Receiving Party). The terms of this Agreement shall be deemed Confidential Information of each Party. The Parties agree that with respect to the Licensed IP, SST shall be deemed the Disclosing Party.

Confidentiality

. The Receiving Party shall keep in confidence all Confidential Information of the Disclosing Party with the same degree of care it employs to maintain the confidentiality of its own Confidential Information, but no less than a reasonable degree of care. The Receiving Party shall not use such Confidential Information for any purpose other than in performance of this Agreement or disclose the same to any other Person other than to such of its Affiliates and its and their employees, agents and subcontractors who have a need to know such Confidential Information to implement the terms of this Agreement. A Receiving Party shall advise any such Affiliate, employee, agent, and subcontractor who receives Confidential Information of such obligations, and the Receiving Party shall ensure (through enforcement of written agreements or otherwise) that all such Affiliates, employees, agents, and subcontractors comply with such obligations as if they had been a Party hereto. The Receiving Party will be liable for breach of confidentiality by any of its Affiliates and its and their employees, agents, and/or subcontractors.

Permitted Disclosure and Use

. The Receiving Party shall have the right to disclose Confidential Information if, (a) in the reasonable opinion of the Receiving Party's legal counsel, such disclosure is required by any applicable Laws (including the rules of any stock exchange), provided that the Receiving Party gives adequate prior notice of such disclosure to the Disclosing Party and the Receiving Party seeks confidential treatment of such Confidential Information to the maximum extent permitted by the relevant Governmental Authority; or (b) a court, tribunal, administrative agency or other Governmental Authority orders such disclosure,

provided that the Receiving Party gives adequate prior notice of such disclosure to the Disclosing Party to permit the Disclosing Party to intervene and to request protective orders or other confidential treatment. The Receiving Party will cooperate reasonably with any such efforts by the Disclosing Party. Without limiting Section 9.2, each Party may disclose Confidential Information of the other Party to Third Parties under appropriate terms and conditions, including confidentiality provisions substantially equivalent to these in this Agreement only (a) for fundraising, sublicensing, consulting, manufacturing, development, Commercialization, external testing and marketing studies with respect to the Licensed Products covered by this Agreement or (b) to the extent such disclosure is reasonably necessary in filing or prosecuting patent, copyright and trademark applications, prosecuting or defending litigation, complying with applicable governmental regulations, conducting preclinical or Clinical Studies, and developing and marketing Licensed Products pursuant to this Agreement. The disclosing Party shall be responsible for any breaches of confidentiality by such Third Parties to whom it has disclosed the other Party's Confidential Information. Furthermore, notwithstanding any other provision of this Agreement, each Party may disclose the other Party's Confidential Information as necessary in connection with any proposed financing, merger or similar transaction, subject to confidentiality, or as necessary to obtain legal or financial advice from its attorneys, insurers, accountants and legal or financial advisors. The Parties shall also be permitted to make disclosures consistent with, and pursuant to, Sections 15.1 (Publications) and 15.2 (Public Announcements).

Return

. Upon termination of this Agreement, the Receiving Party shall return or destroy all documents or other media containing Confidential Information of the Disclosing Party with the exception of one (1) copy for the sole purpose of monitoring and documenting the confidentiality obligations hereunder.

Remedies

. Money damages may not be an adequate remedy if this Article 9 is breached and, therefore, either Party may, in addition to any other legal or equitable remedies, seek an injunction or other equitable relief in any court of competent jurisdiction against such breach or threatened breach without the necessity of posting any bond or surety.

Survival

. This Article 9 shall survive the expiration or termination of this Agreement for a period of ten (10) years.

10.REPRESENTATIONS AND WARRANTIES.

Mutual Representations and Warranties

. SST and Daré each represents and warrants to the other as of the Signature Date:

10.1.1 Such Party: (a) is a company duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization; and (b) has the requisite corporate power and authority and the legal right to conduct its business as now conducted and hereafter contemplated to be conducted;

10.1.2 The execution, delivery and performance of this Agreement by such Party: (a) are within the corporate power of such Party; (b) have been duly authorized by all necessary or proper corporate action; (c) do not conflict with any provision of the organizational

documents of such Party; (d) will not, to the Party's knowledge, violate any Laws or any order or decree of any court or Governmental Authority; and (e) will not violate or conflict with any terms of any indenture, mortgage, deed of trust, lease, agreement or other instrument to which such Party is a party, or by which such Party is bound;

10.1.3 This Agreement has been duly executed and delivered by such Party and constitutes a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms;

10.1.4 No governmental authorization, consent, approval (except Marketing Authorization Approvals), license, registration, filing or exemption therefrom with any court or other Governmental Authority is or will be necessary for, or in connection with, the performance of the transaction contemplated by this Agreement or any other agreement or instrument executed in connection therewith; and

10.1.5 Neither such Party nor, to either Party's knowledge, any of its employees, has been debarred by the FDA (or similar action by any other Regulatory Authority), or subject to an FDA debarment investigation or proceeding (or similar investigation or proceeding by any other Regulatory Authority) for any reason.

Daré Representations, Warranties and Covenants

. Daré represents, warrants and covenants to SST as of the Signature Date:

10.2.1 Daré has utilized its own scientific, marketing and distribution expertise and experience to analyze and evaluate both the scientific and commercial value of this collaboration, and Daré has entered into this Agreement based on its own independent due diligence investigation and evaluation;

10.2.2 Daré is not a party to or otherwise bound by any oral or written contract or agreement that will result in any Third Party obtaining any interest in, or that would give to any Third Party any right to assert any claim in or with respect to, any of Daré's rights granted under this Agreement; and

10.2.3 Daré is not currently a party to, and during the Term will not enter into, any agreements, oral or written, that conflict with its obligations under this Agreement.

SST Representations, Warranties and Covenants

. SST represents and warrants to Daré as of the Signature Date:

10.3.1 SST has utilized its own scientific, marketing and distribution expertise and experience to analyze and evaluate both the scientific and commercial value of this collaboration, and SST has entered into this Agreement based on its own independent assessment and evaluation;

10.3.2 Neither SST nor any of its Affiliates is a party to or otherwise bound by any oral or written contract or agreement that will result in any Person obtaining any

interest in, or that would give to any Person any right to assert any claim in or with respect to, any of SST's rights that are subject to the exclusive license grant granted under this Agreement;

10.3.3 SST is not currently a party to, and during the Term will not enter into, any agreements, oral or written, that conflict with its obligations under this Agreement;

10.3.4 All of the Licensed Patents listed on Exhibit 1 are pending or issued and have not been abandoned as of the Signature Date, and SST or its Affiliates have timely paid all filing and renewal fees payable with respect to such Licensed Patents;

10.3.5 SST is the sole and exclusive owner of, or has obtained exclusive licenses to, the Licensed Patents and Licensed Know-How;

10.3.6 No Licensed IP is subject to any funding agreement with any Government Authority;

10.3.7 SST has not previously assigned, transferred, conveyed or otherwise encumbered its rights, title and interests in the SST Product or Licensed IP in a manner that would prevent or restrict SST and/or Daré from Developing and/or Commercializing Licensed Products as set forth herein, or prevent or restrict Daré from exploiting its rights granted under Section 2.1;

10.3.8 There is no intellectual property right, and in particular no Patent, Controlled by SST or SST Parent or any Affiliate of either, other than the Licensed Patents, that would prevent or restrict SST and/or Daré from Developing and/or Commercializing Licensed Products as set forth herein, or that would prevent or restrict Daré from exploiting its rights granted under Section 2.1;

10.3.9 The Licensed Patents are existing and, to the best of SST's and its Affiliates' knowledge, are not invalid or unenforceable, in whole or in part. SST and its Affiliates are not aware of any claim made against any of them asserting the invalidity, misuse, unenforceability or non-infringement of any of the Licensed Patents;

10.3.10 To SST's and its Affiliates' knowledge, there are no claims, judgments or settlements against or pending with respect to the Licensed Patents or any component of Licensed Know-How; and neither SST nor SST Parent nor any Affiliate of either has received written notice that any such claims, judgments or settlements are threatened, and, to SST's knowledge and the to the knowledge of SST Parent, there are no such claims, judgments or settlements are threatened;

10.3.11 No patent application or registration within the Licensed Patents is subject of any pending interference, opposition, cancellation or patent protest;

10.3.12 To SST's and its Affiliates' knowledge, the practice of the Licensed IP does not infringe or misappropriate any Third Party intellectual property right;

10.3.13 To SST's and its Affiliates' knowledge, no Third Party is infringing the Licensed Patents and no Third Party has misappropriated any Licensed Know-How; and

10.3.14 To SST's and its Affiliates' knowledge, all information disclosed at any time prior to the Effective Date by SST relating to the SST Product and Licensed IP is, in all material respects, true, accurate, complete and not misleading.

SST Representations, Warranties and Covenants

. SST represents and warrants and covenants to Daré on an ongoing basis:

10.4.1 SST shall fulfill all of its obligations, including its payment obligations, under the License Agreement; and

10.4.2 SST shall not amend, waive, take any action or omit to taking any action that would alter or otherwise modify any of SST's rights under, or violate or breach, the terms of the License Agreement in a manner that would reasonably be expected to adversely affect Daré's rights under this Agreement and shall not terminate the License Agreement without Daré's prior written consent. SST shall promptly notify Daré of any default under, termination or amendment of the License Agreement.

SST Parent Representations, Warranties and Covenants

. SST Parent represents and warrants and covenants to Daré on an ongoing basis that (a) for so long as this Agreement remains in effect, SST and SST Parent will not assign, transfer, terminate, modify or amend the License Agreement in any manner that conflicts with the license granted to Daré under Section 2.1 or otherwise adversely affects Daré's rights under this Agreement, (b) SST Parent and its Affiliates shall be jointly and severally liable for the financial liabilities of SST under this Agreement if and to the extent SST defaults on any such liabilities, and SST Parent and its Affiliates shall be jointly and severally liable for SST's indemnification obligations hereunder, and (c) in the event the License Agreement is terminated for any reason during the Term, SST Parent shall, if requested by Daré in writing, enter into a license agreement directly with Daré on substantially the same terms and conditions as those set forth in this Agreement. The scope and territory of the license grant under such license agreement shall be the same as that granted by SST to Daré as of the effective date of termination of the License Agreement and SST Parent shall not have any obligations under such license agreement that are greater than or inconsistent with the obligations of SST under the License Agreement. SST and SST Parent shall each notify Daré promptly upon the delivery or receipt (whichever occurs first) of any notice of termination of the License Agreement, and shall notify Daré promptly upon amending the License Agreement, which notice shall include a copy of the amendment.

Disclaimer of Warranty

. Except for the express warranties made under Sections 10.1, 10.2, 10.3 and 10.4, nothing in this Agreement shall be construed as a representation or warranty by either Party: (a) that any Licensed Product made, used, sold or otherwise disposed of under this Agreement is or will be free from infringement of patents, copyrights, trademarks or other intellectual property rights of any Third Party; (b) regarding the effectiveness, value, safety, non-toxicity or patentability of any technology, Licensed Products or any results provided by either

Party pursuant to this Agreement; or (c) that any Licensed Product will obtain Marketing Authorization Approval in any country. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN, NEITHER PARTY MAKES ANY REPRESENTATION OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, TO THE OTHER PARTY, AND EACH PARTY HEREBY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. EACH PARTY HEREBY DISCLAIMS ANY REPRESENTATION OR WARRANTY THAT THE DEVELOPMENT, MANUFACTURE AND COMMERCIALIZATION OF THE LICENSED PRODUCTS PURSUANT TO THIS AGREEMENT WILL BE SUCCESSFUL OR THAT ANY PARTICULAR SALES LEVEL WITH RESPECT TO THE LICENSED PRODUCTS WILL BE ACHIEVED.

11.INDEMNIFICATION.

Indemnification by Daré

. Subject to Section 11.3, Daré shall defend SST and its Affiliates and each of their officers, directors, employees, consultants, successors and assigns from and against all Claims of Third Parties, and shall pay all associated Losses, to the extent arising out of (a) Daré's negligence or willful misconduct in performing any of its obligations under this Agreement, (b) breach by Daré of any of its representations or warranties under this Agreement, or (c) the Development, Commercialization, use, handling, storage, marketing, sale, distribution or other disposition of Licensed Products by Daré, its Affiliates, agents or subcontractors, except to the extent as set forth in Section 11.2.

Indemnification by SST

. Subject to Section 11.3, SST shall defend Daré and its Affiliates and each of their officers, directors, employees, consultants, successors and assigns from and against all Claims of Third Parties, and shall pay all associated Losses, to the extent arising out of (a) SST's negligence or willful misconduct in performing any of its obligations under this Agreement or (b) breach by SST of any of its representations or warranties under this Agreement, or (c) the Development, manufacture, use, handling, storage, distribution or other disposition of Licensed Products by SST, its Affiliates, agents, or subcontractors, except to the extent as set forth in Section 11.1

Procedure for Indemnification

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11.3.1 Notice. Each Party (the "**Indemnified Party**") will notify promptly the other Party (the "**Indemnifying Party**") in writing if it becomes aware of a Claim (actual or potential) by any Third Party or any proceeding (including any investigation by a Governmental Authority) for which indemnification may be sought and will give such related information as the Indemnifying Party shall reasonably request.

11.3.2 Defense of Claim. The Indemnifying Party shall have sole control over the defense and/or settlement of any such Claims and shall be responsible for satisfying and discharging any award made to or settlement reached with the Third Party pursuant to the terms of this Agreement. The Indemnifying Party shall retain counsel to represent the Indemnified Party and shall pay the reasonable fees and expenses of such counsel related to such proceeding. In any such proceeding, the Indemnified Party, at its sole expense, shall have the right to retain its own

counsel at its own expense. The Indemnifying Party shall not, without the written consent of the Indemnified Party (which consent shall not be unreasonably withheld, refused, conditioned or delayed), effect any settlement of any such Third Party Claim, unless such settlement includes an unconditional release of the Indemnified Party from all liability on such Claims. The Indemnified Party may not consent to any settlement or judgment of any Claim without the Indemnifying Party's prior written consent.

Insurance

. Each Party shall maintain (a) product liability insurance covering the obligations of that Party under this Agreement during the Term and for five (5) years thereafter, which insurance shall afford limits of not less than [***] Dollars (US$[***]) for each occurrence and in the aggregate for personal injury liability and property damage liability and (b) clinical trials insurance covering the obligations of that Party with respect to the conduct of Clinical Studies under this Agreement through the term of the Agreement and for five (5) years thereafter, which insurance shall afford limits of not less than [***] Dollars (US$[***]) for each occurrence and in the aggregate. All such insurance shall include worldwide coverage including coverage for United States jurisdiction claims and occurrences. If requested, each Party will provide the other with a certificate of insurance evidencing the above and showing the name of the issuing company, the policy number, the effective date, the expiration date and the limits of liability. The insurance certificate shall further provide for a minimum of thirty (30) days' written notice to the insured of a cancellation of, or material change in, the insurance. All insurance companies must be rated "A" or better with a financial rating of VII or better in the most recent A.M. Best rating and must be authorized to do business in the United States of America and all other jurisdictions where business is being transacted covering all operations under this Agreement.

12.INTELLECTUAL PROPERTY.

Ownership of Inventions

. Daré shall own all rights, title and interests in and to any Daré Inventions. SST shall solely and exclusively own all rights, title and interests in and to any SST Inventions. Each Party shall own a fifty percent (50%) undivided interest in all Joint Inventions. Except as expressly provided in this Agreement and subject to any restrictions therein, each joint owner may make, sell, use, license, assign, pledge or keep Joint Inventions, and otherwise undertake all activities a sole owner might undertake with respect to such Joint Inventions, without the consent of and without accounting to the other joint owner, provided that any assignment, license or other disposition or use (a) shall at all times be and remain subject to the grants of rights and accompanying conditions and obligations with respect thereto under this Agreement, and (b) allow the Parties to exercise their rights and perform their obligations under this Agreement, in particular to Develop and Commercialize Licensed Products in at least the same scope as prior to such assignment, license or other such disposition.

Ownership of Improvements

. Subject to the license granted to Daré under Section 2.1, SST shall solely and exclusively own all rights, title and interests in and to any and all Improvements. To the extent Daré, any of its Affiliates or any Sublicensee acquires any ownership interests in any Improvements, Daré hereby assigns and agrees to assign such ownership interests to SST.

Inventorship

. Inventorship for inventions (including inventions comprising Improvements) shall be determined in accordance with the patent laws of the United States (Title 35, United States Code). The Parties shall each maintain detailed laboratory notebooks, in accordance with customary practices in the industry, sufficient to evidence inventorship for purposes of patent filings.

Prosecution and Maintenance of Patents

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12.4.1 SST shall have the sole right (but not the obligation) to prepare, file, prosecute and maintain the Licensed Patents. SST shall have the authority to select patent counsel, to determine the form and content of such filing, prosecution and maintenance documents and to make all decisions regarding whether to file, prosecute and maintain such Licensed Patents, and in which countries to do so. SST shall provide Daré with copies of all official correspondence (including applications, office actions and responses) relating to filing, prosecution and/or maintenance of Licensed Patents in the Territory. SST shall consult with Daré in good faith regarding the preparation, filing, prosecution, and maintenance of the Licensed Patents, including the conduct of interferences, the defense of oppositions and other similar proceedings with respect to Patents. Without limiting the foregoing, SST will timely provide Daré with a copy of any proposed patent application within the Licensed Patents and any proposed response or submission to any patent office in relation to any such patent application at least thirty (30) days prior to the filing or response deadline and will consider in good faith all comments made by Daré with respect to such draft response or submission. To that end, SST will keep Daré reasonably informed of the status of the Licensed Patents, including, without limitation: (A) by providing Daré with copies of all material communications received from or filed in patent office(s), or received from or sent to foreign attorneys, with respect to such filing, (B) by providing a status report at least annually and (C) by providing Daré a reasonable time, but in any event not less than thirty (30) days, prior to taking or failing to take any action that would materially affect the pendency of any such filing, with prior written notice of such proposed action or inaction so that Daré has a reasonable opportunity to review and comment. In furtherance of the foregoing requirements, SST shall itself, or shall instruct and use reasonable efforts to ensure that its outside patent counsel, promptly forward to Daré a copy of all correspondence received from or sent to any patent office relating to the Licensed Patents, and the Parties shall enter into a reasonable commonality of interest agreement if deemed advisable by their respective patent counsel. The Parties will confer regarding the desirability of seeking in any country any patent term adjustment, patent term extension, supplemental patent protection or related extension of rights. If SST disagrees with any of Daré's comments, it shall consult with Daré in good faith prior to taking any material action contrary thereto.

12.4.2 Daré shall be responsible for [***] percent ([***]%) of all costs incurred by SST after the Effective Date in connection with the filing, prosecution or maintenance of the Licensed Patents in accordance with Section 12.4.1, including (a) filing fees, (b) reasonable attorneys' fees and other expenses associated with application preparation, prosecution, and maintenance, (c) all reasonable costs incurred in reexamination, oppositions and interference proceedings in the United States Patent and Trademark Office and/or the United States Courts, (d) maintenance fees and annuities, including any service fees paid to an annuity payment service

provider and (e) reasonable attorneys' fees and filing fees associated with protest or appeal proceedings (collectively, "**Patent Costs**"), provided that if the Parties are unable to come to an agreement following good faith and reasonable discussions regarding whether to file, whether or how to prosecute and/or whether to maintain or abandon a particular Patent, then SST shall have final decision-making authority with respect thereto, but Daré will not be responsible for any subsequent costs incurred in direct connection with the filing, prosecution or maintenance of such Patent. Daré shall pay SST Daré's share of Patent Costs within forty-five (45) days after receipt of an undisputed invoice from SST for such amounts that are supported with reasonable documentation for the amounts charged in such invoice. If SST grants or has granted a license under any one or more Licensed Patents to any Third Party before or during the Term, and is entitled to additional reimbursement of Patent Costs from such Third Party, then the Patent Costs incurred in connection with such Licensed Patents following the effective date of such license shall be prorated equally among all such licensees (including Daré).

12.4.3 SST shall not abandon prosecution or maintenance of any Licensed Patents without notifying Daré in a timely manner of SST's intention and reason therefor and providing Daré with reasonable opportunity to comment upon such abandonment and to assume responsibility for prosecution or maintenance of such Licensed Patents as set forth below. In the event that SST abandons prosecution or maintenance of Licensed Patents in the Territory at any time during the Term, SST shall provide Daré written notice of such determination at least forty-five (45) days before any deadline for taking action to avoid abandonment or other loss of rights (and shall clearly specify in such notice any pending deadlines). Daré may assume prosecution and maintenance responsibility therefor in the name of SST, and the costs associated with such prosecution shall be paid by Daré at its sole discretion. No such action by Daré will change the ownership or license provisions with respect to the applicable Licensed Patent unless agreed by the Parties in writing. SST will execute all documents that Daré may reasonably request for such purposes.

12.4.4 Joint Patents. SST and Daré shall select the Party that shall be responsible for filing, prosecuting and maintaining Joint Patents. The Parties shall pay [***] percent ([***]%) of all costs associated with the preparation, prosecution and maintenance of Joint Patents unless the Parties otherwise agree in writing. The determination of the countries in which to file Joint Patents shall be made jointly by the Parties. The Party responsible for filing a Joint Patent shall have the right to direct and control all material actions relating to the prosecution or maintenance of Joint Patents, subject to the other Party's ability to comment on such filings and the filing Party's reasonable consideration of such comments. The Party responsible for filing a Joint Patent shall provide prior written notice to the other Party of the countries in which it intends to file, including conflict proceedings, reexaminations, reissuance, oppositions and revocation proceedings, provided, however, that such other Party shall have the right to file or continue prosecution in countries in which the filing Party determines it wishes to abandon or not file such Joint Patent.

12.4.5 Patent Term Extensions. The Parties shall cooperate, if necessary and appropriate, with each other in gaining Patent term extension (including those extensions available under the Supplementary Certificate of Protection of Member States of the EU and other

similar measures in any other country) wherever applicable to Licensed Patents in the Territory that Cover Licensed Product in the Field of Use. The Parties shall, if necessary and appropriate, use reasonable efforts to agree upon a joint strategy relating to Patent term extensions, but, in the absence of mutual agreement with respect to any extension issue in the Territory, the Patent and/or the claims of the Patent shall be selected on the basis of the scope, enforceability and remaining term of the Patent in the relevant country or region. All filings for such extensions shall be made by the Party responsible for filing, prosecuting and maintaining such Licensed Patents.

Patent Infringement

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12.5.1 Notice of Infringement. Each Party shall promptly notify the other in writing (a) of any actual or suspected infringement of any Licensed Patents or Joint Patents in the Territory (including unauthorized importation into the Territory for sale in the Territory), of which it becomes aware or (b) upon receiving notification that a Licensed Patent or Joint Patent is subject to a declaratory judgment action alleging non-infringement, invalidity or unenforceability in the Territory, which notification shall specify in reasonable detail the nature of such actual or suspected infringement or judicial action.

12.5.2 Right to Enforce.

(a)Daré shall have the initial right, using counsel of its choice, to enforce the applicable Licensed Patent(s) against actual or potential infringers in the Field of Use where a Third Party is actually or potentially exploiting a topically applied pharmaceutical product that contains at least one of the same active pharmaceutical ingredients as a Licensed Product (a **"Competitive Infringement**"), and to defend any declaratory action and any reexamination, oppositions and interference proceedings brought by any such Third Party in the United States Patent and Trademark Office and/or the United States Courts, or protest or appeal proceedings with respect thereto, in the Territory, at its expense, and SST shall give all reasonable assistance (excluding financial assistance) to Daré in such action, at Daré's expense. Notwithstanding the foregoing, with respect to any product that is a Combination Product, the actual or potential exploitation of a topically applied pharmaceutical product that contains any active pharmaceutical ingredient of such Combination Product other than sildenafil or a salt thereof (but does contain sildenafil or a salt thereof) shall not be deemed a Competitive Infringement hereunder. Daré shall provide SST with an opportunity to make suggestions and comments regarding such enforcement or defense, and Daré shall consider all such suggestions and comments in good faith. Daré shall keep SST reasonably informed of the status and progress of the litigation and/or settlement. Prior to initiating any action to enforce or defend any Licensed Patent(s) under this Section 12.5.2(a), Daré and SST shall confer to discuss a reasonable course of action which fairly balances the interests of both Parties to minimize risks of validity challenges to the applicable Licensed Patent(s), inside and outside the Field of Use, to minimize risks of lost sales of Licensed Products due to infringement and to minimize any potential adverse consequences to SST and SST Parent's other licensees of the Licensed Patent(s), but Daré will have the final decision on the course of action. Without limiting the foregoing, if Daré is authorized hereunder to initiate an action against a Third Party under this Section 12.5.2(a), but Daré is not recognized by the applicable court or other relevant body as having the requisite standing to pursue such action, then

at Daré's request, SST shall join, and if necessary, shall cause SST Parent to join, in as party-plaintiff or commence such action in its own name and, in either event, cooperate with Daré, at Daré's expense; provided, however, that Daré shall indemnify, defend and hold SST and SST Parent harmless from and against any and all Losses that are incurred in connection with the defense of any counterclaims filed against SST and/or SST Parent, which Losses may include awards of defendants' court costs and/or attorneys' fees against SST and/or SST Parent, judicial sanctions imposed on SST and/or SST Parent in connection with Daré's litigation of such action, and other Losses for which SST and/or SST Parent would not be liable but for their joinder in or commencement of any such action..

(b)Neither Party is obligated to the other to incur any costs for policing any Joint Patent or for enforcing or defending any Joint Patent against any Third Party. Notwithstanding the foregoing, a Party will notify the other Party in writing prior to commencing any enforcement actions of Joint Patents against any Third Party. Any enforcement or defense of any Joint Patent that is mutually undertaken by both Parties requires separate agreement between the Parties. If one of the Parties provides the other Party written notice of its decision not to participate in an enforcement action of any Joint Patents and the other proceeds, the proceeding Party has no obligation to account to the non-participating Party for any amounts collected.

12.5.3 Distribution of Remedies. Any damages, royalties, settlement fees or other consideration for infringement resulting from such suit shall be distributed as follows: (a) first, each Party shall be reimbursed for its reasonable out-of-pocket costs paid in connection with the proceeding; and (b) thereafter, [***] percent ([***]%) shall be retained by Daré and [***] percent ([***]%) shall be distributed to SST; provided further, however, that, if the nature of the infringement by a Third Party of the Licensed Patent(s) extends to any Other Products, and the amounts recovered by the Party prosecuting the infringement includes damages, royalties, fees or other consideration solely and specifically associated with such Other Products, then Daré shall also be entitled to receive (or, if it is the prosecuting Party, to retain) the portion of any such recovery which is solely and specifically associated with the infringement of the Other Product.

12.5.4 Settlement. In no case may Daré enter into any settlement or consent judgment or other voluntary final disposition with respect to any infringement action referenced in this Section that: (a) extends, or purports to exercise, Daré's rights under the Licensed IP beyond the rights granted pursuant to this Agreement; (b) makes any admission regarding wrongdoing by SST or the invalidity, unenforceability or absence of infringement of any Licensed Patents; (c) subjects SST to an injunction or other equitable relief; or (d) obligates SST to make a monetary payment that will not be reimbursed by Daré; in all cases without the prior written consent of SST, which consent will not be unreasonably withheld or delayed. Similarly, in no case may SST enter into any settlement or consent judgment or other voluntary final disposition with respect to any infringement action referenced in this Section that: (i) limits Daré's rights under the Licensed IP or under this Agreement other than as expressly stated herein; (ii) subjects Daré to an injunction or other equitable relief; or (iii) obligates Daré to make a monetary payment that will not be reimbursed by SST; in all cases without the prior written consent of Daré, which consent shall not be unreasonably withheld or delayed.

Infringement Claim by Third Party

. Each Party shall promptly report in writing to the other Party during the Term any Claim by any Third Party that the Development or Commercialization of any Licensed Product in the Field of Use in the Territory infringes the intellectual property rights of any Third Party and shall provide the other Party with all available evidence supporting said infringement or suspected infringement. Daré shall have the initial right, but not the obligation, to defend any Claim initiated by any Third Party alleging solely that a Licensed Product Developed or Commercialized hereunder has infringed, or is suspected of infringing, any Third Party intellectual property rights. If Daré elects to exercise such right, SST shall cooperate with Daré at Daré's reasonable request and expense, and SST shall have the right to be represented by counsel selected and paid for by SST. Daré shall give SST advance notice of its intent to defend any said suit, shall provide SST with an opportunity to make suggestions and comments regarding such defense and shall use good faith, reasonable efforts to incorporate such suggestions and comments; provided, however, that SST shall provide any such comments sufficiently in advance of any filing dates to allow for consideration by Daré. Daré shall keep SST reasonably informed of the status and progress of the litigation. Daré shall have the sole and exclusive right to select counsel for any such suit and action and shall pay all expenses of the suit, including attorneys' fees and court costs. In no case may Daré enter into any settlement or consent judgment or other voluntary final disposition with respect to any Claim referenced in this Section that: (a) extends, or purports to exercise, Daré's rights under the Licensed IP beyond the rights granted pursuant to this Agreement; (b) makes any admission regarding wrongdoing by SST or the invalidity, unenforceability or absence of infringement of any Licensed Patents; (c) subjects SST to an injunction or other equitable relief; or (d) obligates SST to make a monetary payment that will not be reimbursed by Daré; in all cases without the prior written consent of SST, which consent will not be unreasonably withheld or delayed. If Daré does not defend a claim, suit or proceeding as set forth above within ninety (90) days of the date SST was reasonably aware or notified of the Third Party claim alleging infringement (or within such shorter period as may be necessary for submitting or filing a response), then SST may, in its sole discretion, elect to defend such claim, suit or proceeding, using counsel of its own choice and at its own expense, and the provisions of this Section shall apply as if the term "Daré" were changed to "SST" and the term "SST" were changed to "Daré", except that in no case may SST enter into any settlement or consent judgment or other voluntary final disposition with respect to any Claim referenced in this Section that: (i) limits Daré's rights under the Licensed IP or under this Agreement other than as expressly stated herein; (ii) subjects Daré to an injunction or other equitable relief; or (iii) obligates Daré to make a monetary payment that will not be reimbursed by SST, in all cases without the prior written consent of Daré, which consent shall not be unreasonably withheld or delayed.

13.TERM AND TERMINATION.

Term

. This Agreement shall not be effective, and shall not come into force or effect, prior to the Effective Date except solely with respect to Articles 1, (Definitions), 9 (Confidential Information), and 14 (Miscellaneous), Sections 10.1 (Mutual Representations and Warranties), 10.2 (Daré Representations, Warranties and Covenants) and 10.3 (SST Representations, Warranties and Covenants) and this sentence of Section 13.1, which shall come into force and effect as of the Signature Date. Such provisions shall remain in effect from and after the Signature Date during the Term, unless the Effective Date does not occur by March 31,

2018, in which case there is no Effective Date and the Agreement shall automatically terminate on March 31, 2018 unless otherwise agreed to by the Parties. Subject to the foregoing, this Agreement shall commence on the Effective Date and shall remain in effect on a Licensed Product-by-Licensed Product and country-by-country basis until the expiration of the Royalty Term in the applicable country of the Territory, or until any earlier termination of this Agreement as provided in this Article 13 (the "**Term**"). Upon expiration (but not termination) of this Agreement in a particular country of the Territory, Daré shall have a fully paid-up license under the Licensed IP to Develop and Commercialize the applicable Licensed Products in the applicable country on a non-exclusive basis.

Termination of this Agreement by Daré for Convenience

. Daré may terminate this Agreement on a Licensed Product-by-Licensed Product and country-by-country basis for any reason. If such termination occurs prior to receipt of Marketing Authorization Approval in the United States, then Daré shall provide notice of termination upon ninety (90) days' notice to SST, and thereafter Daré shall provide notice of termination upon one hundred eighty (180) days' prior written notice to SST.

Termination for Cause

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13.3.1 The material breach by a Party of any of its obligations contained in this Agreement shall entitle the other Party to give notice to have the breach cured. If such breach is not cured within (a) [***] ([***]) days for all defaults other than payment or (b) [***] ([***]) days for defaults on payment after the receipt of such notice, the notifying Party shall be entitled, without prejudice to any of its other rights conferred on it by this Agreement, and in addition to any other remedies that may be available to it, to terminate this Agreement upon notice. In addition, SST shall have the right to terminate this Agreement in its entirety, upon [***] ([***]) days' prior written notice to Daré, if at any time Daré or any of its Affiliates or Sublicensees initiates or voluntarily joins as a party to any legal action that challenges in any way the validity, enforceability or scope of the Licensed Patents in any court or before any Governmental Authority with authority to determine the validity, enforceability or scope of such Licensed Patents, or causes or requests, without the prior written approval of SST, a review by any such court or Governmental Authority of the same.

13.3.2 If, after any suspension by SST of its Development activities pursuant to Section 4.5.1, Daré does not exercise its right to assume responsibility for the suspended Development activities within [***] ([***]) days after receiving written notice from SST of their suspension, or if Daré fails to use Commercially Reasonable Efforts in performing Development activities in substantial accordance with the Development Plan and does not cure such failure within sixty (60) days of receipt of SST's notice thereof, SST may terminate this Agreement with respect to the applicable Licensed Product(s) in the applicable country(ies) upon thirty (30) days' notice to Daré.

Termination for Bankruptcy

. Either Party hereto shall have the right to terminate this Agreement forthwith by written notice to the other Party (a) if the other Party is declared insolvent or bankrupt by a court of competent jurisdiction, (b) if a voluntary or involuntary petition in bankruptcy is filed in any court of competent jurisdiction against the other

Party and such petition is not dismissed within ninety (90) days after filing or (c) if the other Party shall make or execute an assignment of substantially all of its assets for the benefit of creditors.

Effects of Termination

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13.5.1 On a Licensed Product-by-Licensed Product and country-by-country basis, in the event of termination by Daré under Section 13.2, or by SST under Sections 13.3 or 13.4, or in the event a Licensed Product is terminated in a particular country following suspension of Development and/or Commercialization activities pursuant to Section 4.5.1 or 4.5.2, as applicable, (a) all corresponding rights and licenses on a Licensed Product-by-Licensed Product and country-by-country basis granted to Daré herein shall terminate and revert to SST on termination; provided, however, if Daré terminates the Agreement only with respect a particular country it retains the right to continue manufacturing Licensed Products in such terminated country but only for sale of such Licensed Products in the remaining countries of the Territory, if any; (b) in the event that Daré has any on-going Clinical Studies with respect to the applicable Licensed Product in the applicable country as of the effective date of termination, Daré agrees, at SST's request, to either promptly transition such Clinical Studies to SST or continue to wind down, according to good clinical practice, such Clinical Studies, at Daré's expense; (c) Daré shall, at its own expense, promptly provide SST with all data and results pertaining, on a Licensed Product-by-Licensed Product and country-by-country basis, to Licensed Products; (d) Daré will, at its own expense, promptly assign or transfer, or cause to be assigned and transferred to SST (or if not so assignable, Daré shall take all reasonable actions to make available to SST the benefits of), all Regulatory Filings, Manufacturing Documentation and Marketing Authorization Approvals concerning Licensed Products, in each case as Controlled by Daré or its Affiliates or Sublicensees; (e) if requested by SST, Daré shall sell to SST all or any portion of Daré's and its Affiliates' and/or Sublicensees' inventory of Licensed Product, at actual direct cost plus [***] percent ([***]%); and (f) effective upon such termination, Daré hereby grants SST and its Affiliates a worldwide, royalty-bearing, perpetual, freely sublicensable and non-exclusive license, under the Daré Incorporated IP, solely to Develop and Commercialize the terminated Licensed Products in the applicable country(ies); provided, however, that notwithstanding the foregoing, any Daré Incorporated IP that is Controlled by a Third Party that becomes an Affiliate of Daré after the Effective Date as a result of Daré being acquired by such Third Party shall not be licensed to SST under this sentence unless such Daré Incorporated IP is actually being used by Daré or its Affiliates in the manufacture, use and/or sale of Licensed Products at the time of such termination. As the sole consideration for such license, SST will pay Daré [***].

13.5.2 In the event of termination with respect to a Licensed Product prior to completion of the applicable Development, SST shall diligently wind down its activities under the Development Plan with respect to such Licensed Product, and shall reallocate its resources to other Development activities under this Agreement or to other internal programs or Third Party funded work in an effort to minimize amounts reimbursable by Daré under such terminated Development.

13.5.3 Except as otherwise provided herein, upon termination of this Agreement, all remaining records and materials in a Party's possession or Control containing the

other Party's Confidential Information and to which the former Party does not retain rights hereunder, shall promptly be returned or destroyed at the request of the disclosing Party. Notwithstanding the foregoing, one copy of such records may be retained by legal counsel for the former Party solely for archival purposes.

Survival of Obligations

. The termination or expiration of this Agreement shall not relieve the Parties of any obligations accruing prior to such termination (including accrued payment obligations), and any such termination shall be without prejudice to the rights of either Party against the other. The provisions of Articles 1, 9 (for the ten (10) year period specified in Section 9.6) and 14 and Sections 2.5, 2.6, 7.3.2, 7.3.4, 7.3.5., 7.4, 7.5, 10.6, 11.1, 11.2, 11.3, 11.4 (for the five (5) year period specified therein), 12.1, 12.2, 12.3, 13.5 and this Section 13.6 shall survive any termination or expiration of this Agreement.

Termination Not Sole Remedy

. Termination is not the sole remedy under this Agreement and, whether or not termination is effected, all other remedies will remain available except as expressly agreed to otherwise herein.

Bankruptcy under U.S. Law

. If this Agreement is rejected by or on behalf of a Party under the Bankruptcy Code, all licenses and rights to licenses granted under or pursuant to this Agreement by such Party to the other Party are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101(35A) of the Bankruptcy Code. For the avoidance of doubt, each of the Parties intend that the licenses granted by it to the other Party under this Agreement are licenses of rights to "intellectual property" as defined under Section 101(35A) of the Bankruptcy Code. Each of the Parties agrees that the other Party, as a licensee of such licensor's rights under this Agreement, shall retain and may fully exercise all of such licensee's rights and elections under the Bankruptcy Code, and that upon rejection of this Agreement by the licensor in a case under the Bankruptcy Code, if the licensee elects to retain its rights, as provided in Section 365(n)(1)(B) of the Bankruptcy Code, the licensor, as debtor in possession, or any trustee appointed in a case filed by or against the licensor under the Bankruptcy Code, shall provide to the licensee all intellectual property licensed to the licensee under this Agreement (including any embodiments) and held by the licensor or any trustee of the licensor, as provided in Section 365(n)(3)(A) of the Bankruptcy Code.

14.MISCELLANEOUS.

Publications

. The Parties will notify one another of any planned abstracts, oral presentations and manuscripts relating to the publication of clinical data and other scientific data generated in the course of Development or Commercialization of the relevant Licensed Product by the submitting Party. The Parties shall discuss whether a planned submission might contain information which compromises the patentability or confidentiality of the Licensed IP or any SST Inventions, Daré Incorporated IP, Daré Inventions or Joint Inventions. In the event that said patentability or confidentiality would be compromised, the Party wishing to publish shall within thirty (30) days of objection by the other Party, request in writing a review of the abstract,

oral presentation or manuscript for protection of patentable or proprietary information. If requested in writing by the other Party, the submitting Party shall provide a draft of the planned submission and withhold the material for publication or presentation for forty-five (45) days to allow for the filing of patent applications or the taking of such measures as may be appropriate to preserve proprietary rights in and the confidentiality of the information in the material being submitted for publication or presentation (including withholding such publication). The review period may be extended for an additional sixty (60) days if a Party can demonstrate a reasonable need for such extension, including the preparation and filing of Patent applications. By mutual agreement of the Parties, this period may be further extended. The Parties will each comply with standard academic practice regarding authorship of scientific publications and recognition of contribution of other parties in any such publications or presentations.

Public Announcements

. Except as may be expressly permitted under this Section 14.2 or mandated by applicable Laws or the rules of any stock exchange, neither Party will make any public announcement of any information regarding this Agreement without the prior written consent of the other Party. Once any statement is approved for disclosure by the Parties, either Party may make a subsequent public disclosure containing the same information disclosed in such prior public announcement without further approval of the other Party.

Limitation of Damages

. In no event shall either Party be liable hereunder to the other Party for any punitive, indirect, special, incidental or consequential damages (including lost revenue, lost profits, or lost savings) however caused and under any theory, even if it has notice of the possibility of such damages. Without limiting the generality of the foregoing, "consequential damages" are deemed to include damages based on or measured by loss of projected or speculative unearned royalties, milestone payments, or any other unearned, speculative, or otherwise contingent payments provided for in this Agreement. The foregoing limitation shall not apply to damages caused by (a) a Party's breach of Sections 2.7 or 9, (b) a Party's infringement or misappropriation of Intellectual Property Rights of the other Party or its Affiliates, or (c) the intentional misconduct or gross negligence of a Party, and does not limit or restrict the indemnification rights or obligations of a Party under Section 11 with respect to Losses owed by the Indemnifying Party to a Third Party in connection with a Claim.

No Debarred Personnel

. The Parties agree that each Party shall not use, during the Term, the services of any employee, consultant, contractor or clinical investigator that has been debarred by the FDA or any other Governmental Authority or that is the subject of debarment proceedings by the FDA or any other Governmental Authority.

Relationship of the Parties

. Each Party shall bear its own costs incurred in the performance of its obligations hereunder without charge or expense to the other except as expressly provided in this Agreement. Neither Party shall have any responsibility for the hiring, termination or compensation of the other Party's employees or for any employee benefits of such employee. No employee or representative of a Party shall have any authority to bind or obligate the other Party to this Agreement in any manner whatsoever, or to create or impose any contractual or other liability on the other Party without said Party's approval. For all purposes, the Parties' legal relationship under this Agreement to each other shall be that of independent contractor. This

Agreement is not a partnership agreement and nothing in this Agreement shall be construed to establish a relationship of partners or joint venturers between the Parties.

Registration of this Agreement

. To the extent, if any, that either Party concludes in good faith that it or the other Party is required to file or register this Agreement or a notification thereof with any Governmental Authority, such Party shall inform the other Party thereof. If both Parties jointly agree that either Party is required to submit or obtain any such filing, registration or notification, they shall cooperate in such filing, registration or notification and shall execute all documents reasonably required in connection therewith. In such filing, registration or notification, the Parties shall request confidential treatment of sensitive provisions of this Agreement, to the extent permitted by Law. The Parties shall promptly inform each other as to the activities or inquiries of any such Governmental Authority relating to this Agreement, and shall reasonably cooperate to respond to any request for further information therefrom on a timely basis. The Party desiring to make the filing shall be responsible for all costs and expenses associated with any such filings or requirements.

Force Majeure

. The occurrence of an event which materially interferes with the ability of a Party to perform its obligations or duties hereunder which is not within the reasonable control of the Party affected, and which could not with the exercise of Commercially Reasonable Efforts have been avoided ("**Force Majeure Event**"), including war, rebellion, earthquake, fire, accident, strike, riot, civil commotion, act of God, inability to obtain raw materials, delay or errors by shipping companies or change in Law, shall not excuse such Party from the performance of its obligations or duties under this Agreement, but shall merely suspend such performance (other than performance of payment obligations) during the Force Majeure Event. The Party subject to a Force Majeure Event shall promptly notify the other Party of the occurrence and particulars of such Force Majeure Event and shall provide the other Party, from time to time, with its good faith estimate of the duration of such Force Majeure Event and with notice of the termination thereof. The Party so affected shall use Commercially Reasonable Efforts to avoid or remove such causes of non-performance as soon as is reasonably practicable. Upon termination of the Force Majeure Event, the performance of any suspended obligation or duty shall without delay recommence. The Party subject to the Force Majeure Event shall not be liable to the other Party for any damages arising out of or relating to the suspension or termination of any of its obligations or duties under this Agreement by reason of the occurrence of a Force Majeure Event, provided such Party complies in all material respects with its obligations under this Section 15.7.

Dispute Resolution

. Subject to the dispute escalation and decision-making provisions of Article 3, in the event of any dispute, controversy or claim hereunder arising out of or relating to this Agreement that cannot be resolved by the Parties, either Party may, on ten (10) days written notice to the other Party, initiate binding arbitration in accordance with the then-current Commercial Arbitration Rules of the American Arbitration Association (the "**AAA**"). The Parties shall select a mutually acceptable arbitrator within twenty (20) days of the request of the Party invoking this dispute resolution procedure. If the Parties are unable to agree upon an arbitrator, the AAA shall select a qualified, independent arbitrator. Such arbitration will be held in Boston, Massachusetts. The decision of the arbitrator will be final and binding on the Parties.

The prevailing Party may enforce any arbitration decision or award, and either Party may seek injunctive, equitable or similar relief (without the requirement of arbitration), in any court having competent jurisdiction.

Governing Law

. This Agreement shall be construed, and the respective rights of the Parties determined, according to the substantive law of the Commonwealth of Massachusetts without regard to the provisions governing conflict of laws, except matters of intellectual property law, which shall be determined in accordance with the intellectual property laws relevant to the intellectual property in question. The United Nations Convention on the International Sale of Goods shall not apply to this Agreement. Exclusive jurisdiction and venue for any action arising under this Agreement is in the federal and state courts located in Suffolk County, Massachusetts, and both Parties hereby consent to such jurisdiction and venue for this purpose.

Attorneys' Fees and Related Costs

. The prevailing Party in any action to enforce this Agreement is entitled to reimbursement of its reasonable attorney's fees and costs from the other.

Assignment

. This Agreement may not be assigned or transferred by either Party, in whole or in part, whether voluntarily or by operation of law, without the prior written consent of the other Party, such consent not to be unreasonably withheld; provided that, without prior written consent, either Party may assign this Agreement, in whole or in part, to any of its Affiliates, or to a successor to all or substantially all of the assets or business of such Party to which this Agreement relates, whether by merger, sale of stock, sale of assets or other similar transaction or operation of law. Any assignment in violation of this provision is void and without effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto, their permitted successors, legal representatives and assigns.

Notices

. All demands, notices, consents, approvals, and other formal or legal communications hereunder must be in writing, in English, and will be deemed to have been duly given only if delivered personally, by mail (first class, postage prepaid), or by overnight delivery using a globally-recognized carrier, to the Parties at the following addresses:

SST:

Strategic Science & Technologies, LLC
58 Charles Street
Cambridge, MA 02141
Attn: COO

with a copy to:
Gunderson Dettmer Stough, Villeneuve, Franklin and Hachigian, LLP
One Marina Park Dr., Ste. 900
Boston, MA 02210

Daré:

Daré Bioscience, Inc.
11119 N. Torrey Pines Rd.,
La Jolla, CA 92037
Attn: CEO

with a copy to:
Mintz Levin Cohn Ferris Glovsky and Popeo P.C.

3580 Carmel Mountain Road, Ste. 300
San Diego, CA 92130

Attn: Timothy H. Ehrlich, Esq. Attn: Tali Tuchin

or to such other address as the addressee shall have last furnished in writing in accord with this provision. All notices shall be deemed effective upon receipt by the addressee.

Severability

. If any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect, that provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable.

Headings

. The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

Waiver

. No waiver of any term or condition of this Agreement shall be effective unless set forth in a written instrument duly executed by or on behalf of the waiving Party. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any prior, concurrent or future occasion. Except as expressly set forth in this Agreement, all rights and remedies available to a Party, whether under this Agreement or afforded by Law or otherwise, will be cumulative and not in the alternative to any other rights or remedies that may be available to such Party.

Entire Agreement

. This Agreement (including the exhibits and schedules hereto) constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all previous agreements and understandings between the Parties, whether written or oral, including all proposals, negotiations, conversations, letters of intent, memoranda of understanding or discussions, between Parties relating to the subject matter of this Agreement, including without limitation that certain Binding Term Sheet entered into by the Parties effective as of January 2, 2018, and all past dealing or industry custom.

Modification

. This Agreement may be altered, amended or changed only by a writing making specific reference to this Agreement and the clause to be modified, which amendment is signed by duly authorized representatives of SST and Daré.

No License

. Nothing in this Agreement shall be deemed to constitute the grant of any license or other right in either Party, to or in respect of any Licensed Product, patent, trademark, Confidential Information, trade secret or other data or any other intellectual property of the other Party, except as expressly set forth herein.

No Third Party Beneficiaries

. None of the provisions of this Agreement shall be for the benefit of or enforceable by any Third Party, including any creditor of either Party hereto.

Ambiguities

. This Agreement shall be deemed to have been drafted jointly by both Parties; and ambiguities, if any, shall not be construed against either Party, irrespective of which Party may have actually drafted the ambiguous provision.

CREATE Act

. This Agreement includes a joint research agreement as defined in 35 U.S.C. § 103(c)(3).

Counterparts

. This Agreement may be executed in counterparts, each of which, when executed, shall be deemed to be an original and all of which together shall constitute one and the same document. A facsimile of this Agreement (including a scanned PDF version) shall be deemed valid as an original.

Interpretation

. The definitions of the terms herein apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun will include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" will be deemed to be followed by the phrase "without limitation." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document herein will be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or therein), (ii) any reference to any law, statute, rule or regulation herein will be construed as referring to such law, statute, rule or regulation as from time to time enacted, repealed or amended, (iii) any reference herein to any Party will be construed to include the Party's successors and assigns, (iv) the words "herein", "hereof," "hereto" and "hereunder", and words of similar import, will be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (v) any reference herein to the words "mutually agree" or "mutual written agreement" will not impose any obligation on either Party to agree to any terms relating thereto or to engage in discussions relating to such terms except as such Party may determine in such Party's sole discretion, (vi) all references to Articles, Sections, and Exhibits herein without a reference to any other agreement, will be construed to refer to Articles, Sections, and Exhibits of this Agreement, (vii) all amounts set forth in this Agreement are in United States Dollars, unless otherwise indicated, (viii) all references to "days", "months" and "years" herein, without any further qualification, shall mean calendar days, calendar months and calendar years, respectively, (ix) the phrase "on behalf of" a Party shall mean, with respect to the generation of intellectual property rights only, the generation of such intellectual property rights by a Third Party having a duty to assign such intellectual property rights to such Party or to grant an exclusive license of such intellectual property rights to such Party and (x) all references to a "country" shall mean a geographic territory having its own distinct population and a distinct national government whose claim to sovereignty with respect to such territory and population is recognized by at least one other country. By way of non-limiting example, Taiwan shall be deemed a "country" for purposes of this Agreement even though it is not recognized as a country by the People's Republic of China.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, SST, SST Parent (solely with respect to Section 10.5) and Daré, by their duly authorized officers, have executed this Agreement as of the Signature Date.

STRATEGIC SCIENCE & TECHNOLOGIES-D LLC

By: /s/ [***]

Name: [***]

Title: President and COO

Date: February 11, 2018

STRATEGIC SCIENCE & TECHNOLOGIES, LLC
(solely with respect to Section 10.5)

By: /s/ [***]

Name: [***]

Title: President and COO

Date: February 11, 2018

DARÉ BIOSCIENCE, INC.

By: /s/ Sabrina Johnson

Name: Sabrina Johnson

Title: President and Chief Executive Officer

Date: February 11, 2018

CONFIDENTIAL TREATMENT REQUESTED

EXHIBIT 1

LICENSED PATENTS

[***]

Portions of this Exhibit, indicated by the mark "[***]", were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

CONFIDENTIAL TREATMENT REQUESTED

EXHIBIT 2

INITIAL DEVELOPMENT PLAN

[***]

Portions of this Exhibit, indicated by the mark "[***]", were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

DARÉ BIOSCIENCE OPERATIONS, INC.

AMENDED AND RESTATED

2015 EMPLOYEE, DIRECTOR AND CONSULTANT EQUITY INCENTIVE PLAN

1. DEFINITIONS.

Unless otherwise specified or unless the context otherwise requires, the following terms, as used in this Daré Bioscience Operations, Inc., Amended and Restated 2015 Employee, Director and Consultant Equity Incentive Plan, have the following meanings:

Administrator means the Board of Directors, unless it has delegated power to act on its behalf to the Committee, in which case the Administrator means the Committee.

Affiliate means a corporation which, for purposes of Section 424 of the Code, is a parent or subsidiary of the Company, direct or indirect.

Agreement means an agreement between the Company and a Participant delivered pursuant to the Plan and pertaining to a Stock Right, in such form as the Administrator shall approve.

Board of Directors means the Board of Directors of the Company.

California Participant means a Participant who resides in the State of California.

Cause means, with respect to a Participant (a) dishonesty with respect to the Company or any Affiliate, (b) insubordination, substantial malfeasance or non-feasance of duty, (c) unauthorized disclosure of confidential information, (d) breach by a Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or similar agreement between the Participant and the Company or any Affiliate, and (e) conduct substantially prejudicial to the business of the Company or any Affiliate; provided, however, that any provision in an agreement between a Participant and the Company or an Affiliate, which contains a conflicting definition of Cause for termination and which is in effect at the time of such termination, shall supersede this definition with respect to that Participant. The determination of the Administrator as to the existence of Cause will be conclusive on the Participant and the Company.

Change of Control means the occurrence of any of the following events:

(1) *Ownership*. Any "Person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "Beneficial Owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities (excluding for this purpose any such voting securities held by the Company or its Affiliates or by any employee benefit plan of the Company) pursuant to a transaction or a series of related transactions which the Board of Directors does not approve; or

(2) *Merger/Sale of Assets*. (A) A merger or consolidation of the Company whether or not approved by the Board of Directors, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or the parent of such corporation) more than 50% of the total voting power represented by the voting securities of the Company or such surviving entity or parent of such corporation, as the case may be, outstanding immediately after such merger or consolidation; or (B) the sale or disposition by the Company of all or substantially all of the Company's assets in a transaction requiring stockholder approval; or

(3) *Change in Board Composition*. A change in the composition of the Board of Directors, as a result of which fewer than a majority of the directors are Incumbent Directors. "Incumbent Directors" shall mean directors who either (A) are directors of the Company as of December 1, 2015, or (B) are elected, or nominated for election, to the Board of Directors with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company).

(4) "Change of Control" shall be interpreted, if applicable, in a manner, and limited to the extent necessary, so that it will not cause adverse tax consequences under Section 409A.

Code means the United States Internal Revenue Code of 1986, as amended including any successor statute, regulation and guidance thereto.

Committee means the committee of the Board of Directors to which the Board of Directors has delegated power to act under or pursuant to the provisions of the Plan, the composition of which shall at all times satisfy the provisions of Section 162(m) of the Code.

Common Stock means shares of the Company's common stock, $.001 par value per share.

Company means Daré Bioscience Operations, Inc., a Delaware corporation.

Consultant means any natural person who is an advisor or consultant that provides bona fide services to the Company or its Affiliates, provided that such services are not in connection with the offer or sale of securities in a capital raising transaction, and do not directly or indirectly promote or maintain a market for the Company's or its Affiliates' securities.

Disability or Disabled means permanent and total disability as defined in Section 22(e)(3) of the Code.

Employee means any employee of the Company or of an Affiliate (including, without limitation, an employee who is also serving as an officer or director of the Company or of an Affiliate), designated by the Administrator to be eligible to be granted one or more Stock Rights under the Plan.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Fair Market Value of a Share of Common Stock means:

(1) If the Common Stock is listed on a national securities exchange or traded in the over-the-counter market and sales prices are regularly reported for the Common Stock, the closing or, if not applicable, the last price of the Common Stock on the composite tape or other comparable reporting system for the trading day on the applicable date and if such applicable date is not a trading day, the last market trading day prior to such date;

(2) If the Common Stock is not traded on a national securities exchange but is traded on the over-the-counter market, if sales prices are not regularly reported for the Common Stock for the trading day referred to in clause (1), and if bid and asked prices for the Common Stock are regularly reported, the mean between the bid and the asked price for the Common Stock at the close of trading in the over-the-counter market for the trading day on which Common Stock was traded on the applicable date and if such applicable date is not a trading day, the last market trading day prior to such date; and

(3) If the Common Stock is neither listed on a national securities exchange nor traded in the over-the-counter market, such value as the Administrator, in good faith, shall determine.

ISO means an option intended to qualify as an incentive stock option under Section 422 of the Code.

Non-Qualified Option means an option which is not intended to qualify as an ISO.

Option means an ISO or Non-Qualified Option granted under the Plan.

Participant means an Employee, director or Consultant of the Company or an Affiliate to whom one or more Stock Rights are granted under the Plan. As used herein, "Participant" shall include "Participant's Survivors" where the context requires.

Plan means this Daré Bioscience Operations, Inc., Amended and Restated 2015 Employee, Director and Consultant Equity Incentive Plan.

Securities Act means the Securities Act of 1933, as amended.

Shares means shares of the Common Stock as to which Stock Rights have been or may be granted under the Plan or any shares of capital stock into which the Shares are changed or for which they are exchanged within the provisions of Paragraph 3 of the Plan. The Shares issued under the Plan may be authorized and unissued shares or shares held by the Company in its treasury, or both.

Stock-Based Award means a grant by the Company under the Plan of an equity award or an equity based award which is not an Option or a Stock Grant.

Stock Grant means a grant by the Company of Shares under the Plan.

Stock Right means a right to Shares or the value of Shares of the Company granted pursuant to the Plan -- an ISO, a Non-Qualified Option, a Stock Grant or a Stock-Based Award.

Survivor means a deceased Participant's legal representatives and/or any person or persons who acquired the Participant's rights to a Stock Right by will or by the laws of descent and distribution.

2. PURPOSES OF THE PLAN.

The Plan is intended to encourage ownership of Shares by Employees and directors of and certain Consultants to the Company and its Affiliates in order to attract and retain such people, to induce them to work for the benefit of the Company or of an Affiliate and to provide additional incentive for them to promote the success of the Company or of an Affiliate. The Plan provides for the granting of ISOs, Non-Qualified Options, Stock Grants and Stock-Based Awards.

3. SHARES SUBJECT TO THE PLAN.

(a) The number of Shares which may be issued from time to time pursuant to this Plan shall be 1,500,000, or the equivalent of such number of Shares after the Administrator, in its sole discretion, has interpreted the effect of any stock split, stock dividend, combination, recapitalization or similar transaction in accordance with Paragraph 24 of the Plan.

(b) If an Option ceases to be "outstanding", in whole or in part (other than by exercise), or if the Company shall reacquire (at not more than its original issuance price) any Shares issued pursuant to a Stock Grant or Stock-Based Award, or if any Stock Right expires or is forfeited, cancelled, or otherwise terminated or results in any Shares not being issued, the unissued or reacquired Shares which were subject to such Stock Right shall again be

available for issuance from time to time pursuant to this Plan. Notwithstanding the foregoing, if a Stock Right is exercised, in whole or in part, by tender of Shares or if the Company or an Affiliate's tax withholding obligation is satisfied by withholding Shares, the number of Shares deemed to have been issued under the Plan for purposes of the limitation set forth in Paragraph 3(a) above shall be the number of Shares that were subject to the Stock Right or portion thereof, and not the net number of Shares actually issued. However, in the case of ISOs, the foregoing provisions shall be subject to any limitations under the Code.

4. ADMINISTRATION OF THE PLAN.

The Administrator of the Plan will be the Board of Directors, except to the extent the Board of Directors delegates its authority to the Committee, in which case the Committee shall be the Administrator. Notwithstanding the foregoing, the Board of Directors may not take any action that would cause any outstanding Stock Right that would otherwise qualify as performance-based compensation under Section 162(m) of the Code to fail to so qualify. Subject to the provisions of the Plan, the Administrator is authorized to:

(a) Interpret the provisions of the Plan and all Stock Rights and to make all rules and determinations which it deems necessary or advisable for the administration of the Plan;

(b) Determine which Employees, directors and Consultants shall be granted Stock Rights;

(c) Determine the number of Shares for which a Stock Right or Stock Rights shall be granted;

(d) Specify the terms and conditions upon which a Stock Right or Stock Rights may be granted;

(e) Amend any term or condition of any outstanding Stock Right, including, without limitation, to reduce or increase the exercise price or purchase price, accelerate the vesting schedule or extend the expiration date, provided that (i) such term or condition as amended is permitted by the Plan; (ii) any such amendment shall not impair the rights of a Participant under any Stock Right previously granted without such Participant's consent or in the event of death of the Participant the Participant's Survivors; and (iii) any such amendment shall be made only after the Administrator determines whether such amendment would cause any adverse tax consequences to the Participant, including, but not limited to, the annual vesting limitation contained in Section 422(d) of the Code and described in Paragraph 6(b)(iv) below with respect to ISOs and pursuant to Section 409A of the Code;

(f) Buy out for a payment in cash or Shares, a Stock Right previously granted and/or cancel any such Stock Right and grant in substitution therefor other Stock Rights, covering the same or a different number of Shares and having an exercise price or purchase price per share which may be lower or higher than the exercise price or purchase price of the cancelled Stock Right, based on such terms and conditions as the Administrator shall establish and the Participant shall accept; and

(g) Adopt any sub-plans applicable to residents of any specified jurisdiction as it deems necessary or appropriate in order to comply with or take advantage of any tax or other laws applicable to the Company, any Affiliate or to Participants or to otherwise facilitate the administration of the Plan, which sub-plans may include additional restrictions or conditions applicable to Stock Rights or Shares issuable pursuant to a Stock Right;

provided, however, that all such interpretations, rules, determinations, terms and conditions shall be made and prescribed in the context of not causing any adverse tax consequences under Section 409A of the Code and preserving the tax status under Section 422 of the Code of those Options which are designated as ISOs and in accordance with Section 162(m) of the Code for all other Stock Rights to which the Committee has determined Section 162(m) is applicable. Subject to the foregoing, the interpretation and construction by the Administrator of any provisions of the Plan or of any Stock Right granted under it shall be final, unless otherwise determined by the Board of Directors, if the Administrator is the Committee. In addition, if the Administrator is the Committee, the Board of Directors may take any action under the Plan that would otherwise be the responsibility of the Committee.

To the extent permitted under applicable law, the Board of Directors or the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any portion of

its responsibilities and powers to any other person selected by it. The Board of Directors or the Committee may revoke any such allocation or delegation at any time. Notwithstanding the foregoing, only the Board of Directors or the Committee shall be authorized to grant a Stock Right to any director of the Company or to any "officer" of the Company as defined by Rule 16a-1 under the Exchange Act.

5. ELIGIBILITY FOR PARTICIPATION.

The Administrator will, in its sole discretion, name the Participants in the Plan; provided, however, that each Participant must be an Employee, director or Consultant of the Company or of an Affiliate at the time a Stock Right is granted. Notwithstanding the foregoing, the Administrator may authorize the grant of a Stock Right to a person not then an Employee, director or Consultant of the Company or of an Affiliate; provided, however, that the actual grant of such Stock Right shall be conditioned upon such person becoming eligible to become a Participant at or prior to the time of the execution of the Agreement evidencing such Stock Right. ISOs may be granted only to Employees who are deemed to be residents of the United States for tax purposes. Non-Qualified Options, Stock Grants and Stock-Based Awards may be granted to any Employee, director or Consultant of the Company or an Affiliate. The granting of any Stock Right to any individual shall neither entitle that individual to, nor disqualify him or her from, participation in any other grant of Stock Rights or any grant under any other benefit plan established by the Company or any Affiliate for Employees, directors or Consultants.

6. TERMS AND CONDITIONS OF OPTIONS.

Each Option shall be set forth in writing in an Option Agreement, duly executed by the Company and, to the extent required by law or requested by the Company, by the Participant. The Administrator may provide that Options be granted subject to such terms and conditions, consistent with the terms and conditions specifically required under this Plan, as the Administrator may deem appropriate including, without limitation, subsequent approval by the shareholders of the Company of this Plan or any amendments thereto. The Option Agreements shall be subject to at least the following terms and conditions:

(a) Non-Qualified Options: Each Option intended to be a Non-Qualified Option shall be subject to the terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company, subject to the following minimum standards for any such Non-Qualified Option:

(i) Exercise Price: Each Option Agreement shall state the exercise price (per share) of the Shares covered by each Option, which exercise price shall be determined by the Administrator and shall be at least equal to the Fair Market Value per share of Common Stock on the date of grant of the Option provided, that if the exercise price is less than Fair Market Value, the terms of such Option must comply with the requirements of Section 409A of the Code unless granted to a Consultant to whom Section 409A of the Code does not apply.

(ii) Number of Shares: Each Option Agreement shall state the number of Shares to which it pertains.

(iii) Option Periods: Each Option Agreement shall state the date or dates on which it first is exercisable and the date after which it may no longer be exercised, and may provide that the Option rights accrue or become exercisable in installments over a period of months or years, or upon the occurrence of certain conditions or the attainment of stated goals or events. For California Participants, the exercise period of the Option set forth in the Option Agreement shall not be more than 120 months from the date of grant.

(iv) Option Conditions: Exercise of any Option may be conditioned upon the Participant's execution of a Share purchase agreement in form satisfactory to the Administrator providing for certain protections for the Company and its other shareholders, including requirements that:

A. The Participant's or the Participant's Survivors' right to sell or transfer the Shares may be restricted; and

B. The Participant or the Participant's Survivors may be required to execute letters of investment intent and must also acknowledge that the Shares will bear legends noting any applicable restrictions.

(v) Term of Option: Each Option shall terminate not more than ten years from the date of the grant or at such earlier time as the Option Agreement may provide.

(b) ISOs: Each Option intended to be an ISO shall be issued only to an Employee who is deemed to be a resident of the United States for tax purposes, and shall be subject to the following terms and conditions, with such additional restrictions or changes as the Administrator determines are appropriate but not in conflict with Section 422 of the Code and relevant regulations and rulings of the Internal Revenue Service:

(i) Minimum standards: The ISO shall meet the minimum standards required of Non-Qualified Options, as described in Paragraph 6(a) above, except clause (i) and (v) thereunder.

(ii) Exercise Price: Immediately before the ISO is granted, if the Participant owns, directly or by reason of the applicable attribution rules in Section 424(d) of the Code:

A. 10% or less of the total combined voting power of all classes of stock of the Company or an Affiliate, the exercise price per share of the Shares covered by each ISO shall not be less than 100% of the Fair Market Value per share of the Common Stock on the date of grant of the Option; or

B. More than 10% of the total combined voting power of all classes of stock of the Company or an Affiliate, the exercise price per share of the Shares covered by each ISO shall not be less than 110% of the Fair Market Value per share of the Common Stock on the date of grant of the Option.

(iii) Term of Option: For Participants who own:

A. 10% or less of the total combined voting power of all classes of stock of the Company or an Affiliate, each ISO shall terminate not more than ten years from the date of the grant or at such earlier time as the Option Agreement may provide; or

B. More than 10% of the total combined voting power of all classes of stock of the Company or an Affiliate, each ISO shall terminate not more than five years from the date of the grant or at such earlier time as the Option Agreement may provide.

(iv) Limitation on Yearly Exercise: The Option Agreements shall restrict the amount of ISOs which may become exercisable in any calendar year (under this or any other ISO plan of the Company or an Affiliate) so that the aggregate Fair Market Value (determined on the date each ISO is granted) of the stock with respect to which ISOs are exercisable for the first time by the Participant in any calendar year does not exceed $100,000.

7. TERMS AND CONDITIONS OF STOCK GRANTS.

Each Stock Grant to a Participant shall state the principal terms in an Agreement duly executed by the Company and, to the extent required by law or requested by the Company, by the Participant. For California Participants, each Stock Grant shall be issued within ten (10) years from the earlier of the date the Plan is adopted or

approved by the Company's shareholders. The Agreement shall be in a form approved by the Administrator and shall contain terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company, subject to the following minimum standards:

(a) Each Agreement shall state the purchase price per share, if any, of the Shares covered by each Stock Grant, which purchase price shall be determined by the Administrator but shall not be less than the minimum consideration required by the Delaware General Corporation Law, if any, on the date of the grant of the Stock Grant;

(b) Each Agreement shall state the number of Shares to which the Stock Grant pertains; and

(c) Each Agreement shall include the terms of any right of the Company to restrict or reacquire the Shares subject to the Stock Grant, including the time and events upon which such rights shall accrue and the purchase price therefor, if any.

8. TERMS AND CONDITIONS OF OTHER STOCK-BASED AWARDS.

The Administrator shall have the right to grant other Stock-Based Awards based upon the Common Stock having such terms and conditions as the Administrator may determine, including, without limitation, the grant of Shares based upon certain conditions, the grant of securities convertible into Shares and the grant of stock appreciation rights, phantom stock awards or stock units. The principal terms of each Stock-Based Award shall be set forth in an Agreement, duly executed by the Company and, to the extent required by law or requested by the Company, by the Participant. The Agreement shall be in a form approved by the Administrator and shall contain terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company.

The Company intends that the Plan and any Stock-Based Awards granted hereunder be exempt from the application of Section 409A of the Code or meet the requirements of paragraphs (2), (3) and (4) of subsection (a) of Section 409A of the Code, to the extent applicable, and be operated in accordance with Section 409A so that any compensation deferred under any Stock-Based Award (and applicable investment earnings) shall not be included in income under Section 409A of the Code. Any ambiguities in the Plan shall be construed to effect the intent as described in this Paragraph 8.

9. EXERCISE OF OPTIONS AND ISSUE OF SHARES.

An Option (or any part or installment thereof) shall be exercised by giving written notice to the Company or its designee (in a form acceptable to the Administrator, which may include electronic notice), together with provision for payment of the aggregate exercise price in accordance with this Paragraph for the Shares as to which the Option is being exercised, and upon compliance with any other condition(s) set forth in the Option Agreement. Such notice shall be signed by the person exercising the Option (which signature may be provided electronically in a form acceptable to the Administrator), shall state the number of Shares with respect to which the Option is being exercised and shall contain any representation required by the Plan or the Option Agreement. Payment of the exercise price for the Shares as to which such Option is being exercised shall be made (a) in United States dollars in cash or by check, or (b) at the discretion of the Administrator, through delivery of shares of Common Stock held for at least six months (if required to avoid negative accounting treatment) having a Fair Market Value equal as of the date of the exercise to the aggregate cash exercise price for the number of Shares as to which the Option is being exercised, or (c) at the discretion of the Administrator, by having the Company retain from the Shares otherwise issuable upon exercise of the Option, a number of Shares having a Fair Market Value equal as of the date of exercise to the aggregate exercise price for the number of Shares as to which the Option is being exercised, or (d) at the discretion of the Administrator (after consideration of applicable securities, tax and accounting implications), by delivery of the grantee's personal recourse note bearing interest payable not less than annually at no less than 100% of the applicable Federal rate, as defined in Section 1274(d) of the Code, or (e) at the discretion of the Administrator, in accordance with a cashless exercise program established with a securities brokerage firm, and approved by the Administrator, or (f) at the discretion of the Administrator, by any combination of (a), (b), (c), (d) and (e) above or (g) at the discretion of the Administrator, by payment of such other lawful consideration as the Administrator may determine. Notwithstanding the foregoing, the Administrator shall accept only such payment on exercise of an ISO as is permitted by Section 422 of the Code.

The Company shall then reasonably promptly deliver the Shares as to which such Option was exercised to the Participant (or to the Participant's Survivors, as the case may be). In determining what constitutes "reasonably promptly," it is expressly understood that the issuance and delivery of the Shares may be delayed by the Company in order to comply with any law or regulation (including, without limitation, state securities or "blue sky" laws) which requires the Company to take any action with respect to the Shares prior to their issuance. The Shares shall, upon delivery, be fully paid, non-assessable Shares.

10. PAYMENT IN CONNECTION WITH THE ISSUANCE OF STOCK GRANTS AND STOCK-BASED AWARDS AND ISSUE OF SHARES.

Any Stock Grant or Stock-Based Award requiring payment of a purchase price for the Shares as to which such Stock Grant or Stock-Based Award is being granted shall be made (a) in United States dollars in cash or by check, or (b) at the discretion of the Administrator, through delivery of shares of Common Stock held for at least six months (if required to avoid negative accounting treatment) and having a Fair Market Value equal as of the date of payment to the purchase price of the Stock Grant or Stock-Based Award, or (c) at the discretion of the Administrator (after consideration of applicable securities, tax and accounting implications), by delivery of the grantee's personal recourse note bearing interest payable not less than annually at no less than 100% of the applicable Federal rate, as defined in Section 1274(d) of the Code, or (d) at the discretion of the Administrator, by any combination of (a), (b) and (c) above; or (e) at the discretion of the Administrator, by payment of such other lawful consideration as the Administrator may determine.

The Company shall when required by the applicable Agreement, reasonably promptly deliver the Shares as to which such Stock Grant or Stock-Based Award was made to the Participant (or to the Participant's Survivors, as the case may be), subject to any escrow provision set forth in the applicable Agreement. In determining what constitutes "reasonably promptly," it is expressly understood that the issuance and delivery of the Shares may be delayed by the Company in order to comply with any law or regulation (including, without limitation, state securities or "blue sky" laws) which requires the Company to take any action with respect to the Shares prior to their issuance.

11. RIGHTS AS A SHAREHOLDER.

No Participant to whom a Stock Right has been granted shall have rights as a shareholder with respect to any Shares covered by such Stock Right except after due exercise of an Option or issuance of Shares as set forth in any Agreement, tender of the aggregate exercise or purchase price, if any, for the Shares being purchased and registration of the Shares in the Company's share register in the name of the Participant.

12. ASSIGNABILITY AND TRANSFERABILITY OF STOCK RIGHTS.

By its terms, a Stock Right granted to a Participant shall not be transferable by the Participant other than (i) by will or by the laws of descent and distribution, or (ii) as approved by the Administrator in its discretion and set forth in the applicable Agreement provided that no Stock Right may be transferred by a Participant for value. For California Participants, Stock Rights shall not be transferable by the Participant other than by will or by the laws of descent and distribution, to a revocable trust, or as permitted by Rule 701 of the Securities Act. Notwithstanding the foregoing, an ISO transferred except in compliance with clause (i) above shall no longer qualify as an ISO. The designation of a beneficiary of a Stock Right by a Participant, with the prior approval of the Administrator and in such form as the Administrator shall prescribe, shall not be deemed a transfer prohibited by this Paragraph. Except as provided above during the Participant's lifetime a Stock Right shall only be exercisable by or issued to such Participant (or his or her legal representative) and shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of any Stock Right or of any rights granted thereunder contrary to the provisions of this Plan, or the levy of any attachment or similar process upon a Stock Right, shall be null and void.

13. EFFECT ON OPTIONS OF TERMINATION OF SERVICE OTHER THAN FOR CAUSE OR DEATH OR DISABILITY.

Except as otherwise provided in a Participant's Option Agreement, in the event of a termination of service (whether as an Employee, director or Consultant) with the Company or an Affiliate before the Participant has exercised an Option, the following rules apply:

(a) A Participant who ceases to be an Employee, director or Consultant of the Company or of an Affiliate (for any reason other than termination for Cause, Disability, or death for which events there are special rules in Paragraphs 14, 15, and 16, respectively), may exercise any Option granted to him or her to the extent that the Option is exercisable on the date of such termination of service, but only within such term as the Administrator has designated in a Participant's Option Agreement.

(b) Except as provided in Subparagraph (c) below, or Paragraph 15 or 16, in no event may an Option intended to be an ISO, be exercised later than three months after the Participant's termination of employment. For Options granted to California Participants, an Option must be exercisable for at least thirty (30) days from the date of a Participant's termination of employment.

(c) The provisions of this Paragraph, and not the provisions of Paragraph 15 or 16, shall apply to a Participant who subsequently becomes Disabled or dies after the termination of employment, director status or consultancy; provided, however, in the case of a Participant's Disability or death within three months after the termination of employment, director status or consultancy, the Participant or the Participant's Survivors may exercise the Option within one year after the date of the Participant's termination of service, but in no event after the date of expiration of the term of the Option.

(d) Notwithstanding anything herein to the contrary, if subsequent to a Participant's termination of employment, termination of director status or termination of consultancy, but prior to the exercise of an Option, the Administrator determines that, either prior or subsequent to the Participant's termination, the Participant engaged in conduct which would constitute Cause, then such Participant shall forthwith cease to have any right to exercise any Option.

(e) A Participant to whom an Option has been granted under the Plan who is absent from the Company or an Affiliate because of temporary disability (any disability other than a Disability as defined in Paragraph 1 hereof), or who is on leave of absence for any purpose, shall not, during the period of any such absence, be deemed, by virtue of such absence alone, to have terminated such Participant's employment, director status or consultancy with the Company or with an Affiliate, except as the Administrator may otherwise expressly provide; provided, however, that, for ISOs, any leave of absence granted by the Administrator of greater than ninety days, unless pursuant to a contract or statute that guarantees the right to reemployment, shall cause such ISO to become a Non-Qualified Option on the 181st day following such leave of absence.

(f) Except as required by law or as set forth in a Participant's Option Agreement, Options granted under the Plan shall not be affected by any change of a Participant's status within or among the Company and any Affiliates, so long as the Participant continues to be an Employee, director or Consultant of the Company or any Affiliate.

14. EFFECT ON OPTIONS OF TERMINATION OF SERVICE FOR CAUSE.

Except as otherwise provided in a Participant's Option Agreement, the following rules apply if the Participant's service (whether as an Employee, director or Consultant) with the Company or an Affiliate is terminated for Cause prior to the time that all his or her outstanding Options have been exercised:

(a) All outstanding and unexercised Options as of the time the Participant is notified his or her service is terminated for Cause will immediately be forfeited.

(b) Cause is not limited to events which have occurred prior to a Participant's termination of service, nor is it necessary that the Administrator's finding of Cause occur prior to termination. If the Administrator determines, subsequent to a Participant's termination of service but prior to the exercise of an Option, that either prior or subsequent to the Participant's termination the Participant engaged in conduct which would constitute Cause, then the right to exercise any Option is forfeited.

15. EFFECT ON OPTIONS OF TERMINATION OF SERVICE FOR DISABILITY.

Except as otherwise provided in a Participant's Option Agreement:

(a) A Participant who ceases to be an Employee, director or Consultant of the Company or of an Affiliate by reason of Disability may exercise any Option granted to such Participant:

(i) To the extent that the Option has become exercisable but has not been exercised on the date of the Participant's termination of service due to Disability; and

(ii) In the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion through the date of the Participant's termination of service due to Disability of any additional vesting rights that would have accrued on the next vesting date had the Participant not become Disabled. The proration shall be based upon the number of days accrued in the current vesting period prior to the date of the Participant's termination of service due to Disability.

(b) A Disabled Participant may exercise the Option only within the period ending one year after the date of the Participant's termination of service due to Disability, notwithstanding that the Participant might have been able to exercise the Option as to some or all of the Shares on a later date if the Participant had not been terminated due to Disability and had continued to be an Employee, director or Consultant or, if earlier, within the originally prescribed term of the Option. For Options granted to California Participants, a Participant may exercise such rights for at least six (6) months from the date of termination of service due to Disability.

(c) The Administrator shall make the determination both of whether Disability has occurred and the date of its occurrence (unless a procedure for such determination is set forth in another agreement between the Company and such Participant, in which case such procedure shall be used for such determination). If requested, the Participant shall be examined by a physician selected or approved by the Administrator, the cost of which examination shall be paid for by the Company.

16. EFFECT ON OPTIONS OF DEATH WHILE AN EMPLOYEE, DIRECTOR OR CONSULTANT.

(a) Except as otherwise provided in a Participant's Option Agreement in the event of the death of a Participant while the Participant is an Employee, director or Consultant of the Company or of an Affiliate, such Option may be exercised by the Participant's Survivors:

(i) To the extent that the Option has become exercisable but has not been exercised on the date of death; and

(ii) In the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion through the date of death of any additional vesting rights that would have accrued on the next vesting date had the Participant not died. The proration shall be based upon the number of days accrued in the current vesting period prior to the Participant's date of death.

(b) If the Participant's Survivors wish to exercise the Option, they must take all necessary steps to exercise the Option within one year after the date of death of such Participant, notwithstanding that the decedent might have been able to exercise the Option as to some or all of the Shares on a later date if he or she had not died

and had continued to be an Employee, director or Consultant or, if earlier, within the originally prescribed term of the Option. For Options granted to California Participants, the Participant's Survivors must be allowed to take all necessary steps to exercise the Option for at least six (6) months from the date of death of such Participant.

17. EFFECT OF TERMINATION OF SERVICE ON STOCK GRANTS AND STOCK-BASED AWARDS.

In the event of a termination of service (whether as an Employee, director or Consultant) with the Company or an Affiliate for any reason before the Participant has accepted a Stock Grant or a Stock-Based Award and paid the purchase price, if required, such grant shall terminate.

For purposes of this Paragraph 17 and Paragraph 18 below, a Participant to whom a Stock Grant or a Stock-Based Award has been issued under the Plan who is absent from work with the Company or with an Affiliate because of temporary disability (any disability other than a Disability as defined in Paragraph 1 hereof), or who is on leave of absence for any purpose, shall not, during the period of any such absence, be deemed, by virtue of such absence alone, to have terminated such Participant's employment, director status or consultancy with the Company or with an Affiliate, except as the Administrator may otherwise expressly provide.

In addition, for purposes of this Paragraph 17 and Paragraph 18 below, any change of employment or other service within or among the Company and any Affiliates shall not be treated as a termination of employment, director status or consultancy so long as the Participant continues to be an Employee, director or Consultant of the Company or any Affiliate.

18. EFFECT ON STOCK GRANTS OF TERMINATION OF SERVICE OTHER THAN FOR CAUSE OR DEATH OR DISABILITY.

Except as otherwise provided in a Participant's Stock Grant Agreement, in the event of a termination of service (whether as an Employee, director or Consultant), other than termination for Cause, Disability, or death for which events there are special rules in Paragraphs 19, 20, and 21, respectively, before all forfeiture provisions or Company rights of repurchase shall have lapsed, then the Company shall have the right to cancel or repurchase that number of Shares subject to a Stock Grant as to which the Company's forfeiture or repurchase rights have not lapsed.

19. EFFECT ON STOCK GRANTS OF TERMINATION OF SERVICE FOR CAUSE.

Except as otherwise provided in a Participant's Stock Grant Agreement, the following rules apply if the Participant's service (whether as an Employee, director or Consultant) with the Company or an Affiliate is terminated for Cause:

(a) All Shares subject to any Stock Grant whether or not then subject to forfeiture or repurchase shall be immediately subject to repurchase by the Company at the lesser of Fair Market Value or the purchase price, thereof.

(b) Cause is not limited to events which have occurred prior to a Participant's termination of service, nor is it necessary that the Administrator's finding of Cause occur prior to termination. If the Administrator determines, subsequent to a Participant's termination of service, that either prior or subsequent to the Participant's termination the Participant engaged in conduct which would constitute Cause, then all Shares subject to any Stock Grant that remained subject to forfeiture provisions or as to which the Company had a repurchase right on the date of termination shall be immediately forfeited to the Company.

20. EFFECT ON STOCK GRANTS OF TERMINATION OF SERVICE FOR DISABILITY.

Except as otherwise provided in a Participant's Stock Grant Agreement, the following rules apply if a Participant ceases to be an Employee, director or Consultant of the Company or of an Affiliate by reason of Disability: to the extent the forfeiture provisions or the Company's rights of repurchase have not lapsed on the date

of Disability, they shall be exercisable; provided, however, that in the event such forfeiture provisions or rights of repurchase lapse periodically, such provisions or rights shall lapse to the extent of a pro rata portion of the Shares subject to such Stock Grant through the date of Disability as would have lapsed had the Participant not become Disabled. The proration shall be based upon the number of days accrued prior to the date of Disability.

The Administrator shall make the determination both as to whether Disability has occurred and the date of its occurrence (unless a procedure for such determination is set forth in another agreement between the Company and such Participant, in which case such procedure shall be used for such determination). If requested, the Participant shall be examined by a physician selected or approved by the Administrator, the cost of which examination shall be paid for by the Company.

21. EFFECT ON STOCK GRANTS OF DEATH WHILE AN EMPLOYEE, DIRECTOR OR CONSULTANT.

Except as otherwise provided in a Participant's Stock Grant Agreement, the following rules apply in the event of the death of a Participant while the Participant is an Employee, director or Consultant of the Company or of an Affiliate: to the extent the forfeiture provisions or the Company's rights of repurchase have not lapsed on the date of death, they shall be exercisable; provided, however, that in the event such forfeiture provisions or rights of repurchase lapse periodically, such provisions or rights shall lapse to the extent of a pro rata portion of the Shares subject to such Stock Grant through the date of death as would have lapsed had the Participant not died. The proration shall be based upon the number of days accrued prior to the Participant's date of death.

22. PURCHASE FOR INVESTMENT.

Unless the offering and sale of the Shares shall have been effectively registered under the Securities Act, the Company shall be under no obligation to issue Shares under the Plan unless and until the following conditions have been fulfilled:

(a) The person who receives a Stock Right shall warrant to the Company, prior to the receipt of Shares, that such person is acquiring such Shares for his or her own account, for investment, and not with a view to, or for sale in connection with, the distribution of any such Shares, in which event the person acquiring such Shares shall be bound by the provisions of the following legend (or a legend in substantially similar form) which shall be endorsed upon the certificate evidencing the Shares issued pursuant to such exercise or such grant:

> "The shares represented by this certificate have been taken for investment and they may not be sold or otherwise transferred by any person, including a pledgee, unless (1) either (a) a Registration Statement with respect to such shares shall be effective under the Securities Act of 1933, as amended, or (b) the Company shall have received an opinion of counsel satisfactory to it that an exemption from registration under such Act is then available, and (2) there shall have been compliance with all applicable state securities laws."

(b) At the discretion of the Administrator, the Company shall have received an opinion of its counsel that the Shares may be issued in compliance with the Securities Act without registration thereunder.

23. DISSOLUTION OR LIQUIDATION OF THE COMPANY.

Upon the dissolution or liquidation of the Company, all Options granted under this Plan which as of such date shall not have been exercised and all Stock Grants and Stock-Based Awards which have not been accepted, to the extent required under the applicable Agreement, will terminate and become null and void; provided, however, that if the rights of a Participant or a Participant's Survivors have not otherwise terminated and expired, the Participant or the Participant's Survivors will have the right immediately prior to such dissolution or liquidation to exercise or accept any Stock Right to the extent that the Stock Right is exercisable or subject to acceptance as of the date immediately prior to such dissolution or liquidation. Upon the dissolution or liquidation of the Company, any

outstanding Stock-Based Awards shall immediately terminate unless otherwise determined by the Administrator or specifically provided in the applicable Agreement.

24. ADJUSTMENTS.

Upon the occurrence of any of the following events, a Participant's rights with respect to any Stock Right granted to him or her hereunder shall be adjusted as hereinafter provided, unless otherwise specifically provided in a Participant's Agreement:

(a) Stock Dividends and Stock Splits. If (i) the shares of Common Stock shall be subdivided or combined into a greater or smaller number of shares or if the Company shall issue any shares of Common Stock as a stock dividend on its outstanding Common Stock, or (ii) additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Common Stock, each Stock Right and the number of shares of Common Stock deliverable thereunder shall be appropriately increased or decreased proportionately, and appropriate adjustments shall be made including, in the exercise or purchase price per share, to reflect such events. The number of Shares subject to the limitations in Paragraph 3(a) shall also be proportionately adjusted upon the occurrence of such events.

(b) Corporate Transactions. If the Company is to be consolidated with or acquired by another entity in a merger, consolidation, or sale of all or substantially all of the Company's assets other than a transaction to merely change the state of incorporation (a "Corporate Transaction"), the Administrator or the board of directors of any entity assuming the obligations of the Company hereunder (the "Successor Board"), shall, as to outstanding Options, either (i) make appropriate provision for the continuation of such Options by substituting on an equitable basis for the Shares then subject to such Options either the consideration payable with respect to the outstanding shares of Common Stock in connection with the Corporate Transaction or securities of any successor or acquiring entity; or (ii) upon written notice to the Participants, provide that such Options must be exercised (either (A) to the extent then exercisable or, (B) at the discretion of the Administrator, any such Options being made partially or fully exercisable for purposes of this Subparagraph), within a specified number of days of the date of such notice, at the end of which period such Options which have not been exercised shall terminate; or (iii) terminate such Options in exchange for payment of an amount equal to the consideration payable upon consummation of such Corporate Transaction to a holder of the number of shares of Common Stock into which such Option would have been exercisable (either (A) to the extent then exercisable or, (B) at the discretion of the Administrator, any such Options being made partially or fully exercisable for purposes of this Subparagraph) less the aggregate exercise price thereof. For purposes of determining the payments to be made pursuant to Subclause (iii) above, in the case of a Corporate Transaction the consideration for which, in whole or in part, is other than cash, the consideration other than cash shall be valued at the fair value thereof as determined in good faith by the Board of Directors.

With respect to outstanding Stock Grants, the Administrator or the Successor Board, shall make appropriate provision for the continuation of such Stock Grants on the same terms and conditions by substituting on an equitable basis for the Shares then subject to such Stock Grants either the consideration payable with respect to the outstanding Shares of Common Stock in connection with the Corporate Transaction or securities of any successor or acquiring entity. In lieu of the foregoing, in connection with any Corporate Transaction, the Administrator may provide that, upon consummation of the Corporate Transaction, each outstanding Stock Grant shall be terminated in exchange for payment of an amount equal to the consideration payable upon consummation of such Corporate Transaction to a holder of the number of shares of Common Stock comprising such Stock Grant (to the extent such Stock Grant is no longer subject to any forfeiture or repurchase rights then in effect or, at the discretion of the Administrator, all forfeiture and repurchase rights being waived upon such Corporate Transaction).

In taking any of the actions permitted under this Paragraph 24(b), the Administrator shall not be obligated by the Plan to treat all Stock Rights, all Stock Rights held by a Participant, or all Stock Rights of the same type, identically.

(c) Recapitalization or Reorganization. In the event of a recapitalization or reorganization of the Company other than a Corporate Transaction pursuant to which securities of the Company or of another corporation are issued with respect to the outstanding shares of Common Stock, a Participant upon exercising an Option or accepting a Stock Grant after the recapitalization or reorganization shall be entitled to receive for the price paid upon

such exercise or acceptance if any, the number of replacement securities which would have been received if such Option had been exercised or Stock Grant accepted prior to such recapitalization or reorganization.

(d) Adjustments to Stock-Based Awards. Upon the happening of any of the events described in Subparagraphs (a), (b) or (c) above, any outstanding Stock-Based Award shall be appropriately adjusted to reflect the events described in such Subparagraphs. The Administrator or the Successor Board shall determine the specific adjustments to be made under this Paragraph 24, including, but not limited to the effect of any Corporate Transaction and Change of Control and, subject to Paragraph 4, its determination shall be conclusive.

(e) Modification of Options. Notwithstanding the foregoing, any adjustments made pursuant to Subparagraph (a), (b) or (c) above with respect to Options shall be made only after the Administrator determines whether such adjustments would (i) constitute a "modification" of any ISOs (as that term is defined in Section 424(h) of the Code) or (ii) cause any adverse tax consequences for the holders of Options, including, but not limited to, pursuant to Section 409A of the Code. If the Administrator determines that such adjustments made with respect to Options would constitute a modification or other adverse tax consequence, it may refrain from making such adjustments, unless the holder of an Option specifically agrees in writing that such adjustment be made and such writing indicates that the holder has full knowledge of the consequences of such "modification" on his or her income tax treatment with respect to the Option. This paragraph shall not apply to the acceleration of the vesting of any ISO that would cause any portion of the ISO to violate the annual vesting limitation contained in Section 422(d) of the Code, as described in Paragraph 6(b)(iv).

25. ISSUANCES OF SECURITIES.

Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares subject to Stock Rights. Except as expressly provided herein, no adjustments shall be made for dividends paid in cash or in property (including without limitation, securities) of the Company prior to any issuance of Shares pursuant to a Stock Right.

26. FRACTIONAL SHARES.

No fractional shares shall be issued under the Plan and the person exercising a Stock Right shall receive from the Company cash in lieu of such fractional shares equal to the Fair Market Value thereof.

27. CONVERSION OF ISOs INTO NON-QUALIFIED OPTIONS; TERMINATION OF ISOs.

The Administrator, at the written request of any Participant, may in its discretion take such actions as may be necessary to convert such Participant's ISOs (or any portions thereof) that have not been exercised on the date of conversion into Non-Qualified Options at any time prior to the expiration of such ISOs, regardless of whether the Participant is an Employee of the Company or an Affiliate at the time of such conversion. At the time of such conversion, the Administrator (with the consent of the Participant) may impose such conditions on the exercise of the resulting Non-Qualified Options as the Administrator in its discretion may determine, provided that such conditions shall not be inconsistent with this Plan. Nothing in the Plan shall be deemed to give any Participant the right to have such Participant's ISOs converted into Non-Qualified Options, and no such conversion shall occur until and unless the Administrator takes appropriate action. The Administrator, with the consent of the Participant, may also terminate any portion of any ISO that has not been exercised at the time of such conversion.

28. WITHHOLDING.

In the event that any federal, state, or local income taxes, employment taxes, Federal Insurance Contributions Act ("F.I.C.A.") withholdings or other amounts are required by applicable law or governmental regulation to be withheld from the Participant's salary, wages or other remuneration in connection with the issuance of a Stock Right or Shares under the Plan or for any other reason required by law, the Company may withhold from the Participant's compensation, if any, or may require that the Participant advance in cash to the Company, or to any Affiliate of the Company which employs or employed the Participant, the statutory minimum amount of such

withholdings unless a different withholding arrangement, including the use of shares of the Company's Common Stock or a promissory note, is authorized by the Administrator (and permitted by law). For purposes hereof, the fair market value of the shares withheld for purposes of payroll withholding shall be determined in the manner set forth under the definition of Fair Market Value provided in Paragraph 1 above, as of the most recent practicable date prior to the date of exercise. If the Fair Market Value of the shares withheld is less than the amount of payroll withholdings required, the Participant may be required to advance the difference in cash to the Company or the Affiliate employer. The Administrator in its discretion may condition the exercise of an Option for less than the then Fair Market Value on the Participant's payment of such additional withholding.

29. NOTICE TO COMPANY OF DISQUALIFYING DISPOSITION.

Each Employee who receives an ISO must agree to notify the Company in writing immediately after the Employee makes a Disqualifying Disposition of any Shares acquired pursuant to the exercise of an ISO. A Disqualifying Disposition is defined in Section 424(c) of the Code and includes any disposition (including any sale or gift) of such Shares before the later of (a) two years after the date the Employee was granted the ISO, or (b) one year after the date the Employee acquired Shares by exercising the ISO, except as otherwise provided in Section 424(c) of the Code. If the Employee has died before such Shares are sold, these holding period requirements do not apply and no Disqualifying Disposition can occur thereafter.

30. TERMINATION OF THE PLAN.

The Plan will terminate on December 1, 2025 the date which is ten years from the earlier of the date of its adoption by the Board of Directors and the date of its approval by the shareholders of the Company. The Plan may be terminated at an earlier date by vote of the shareholders or the Board of Directors of the Company; provided, however, that any such earlier termination shall not affect any Agreements executed prior to the effective date of such termination. Termination of the Plan shall not affect any Stock Rights theretofore granted.

31. AMENDMENT OF THE PLAN AND AGREEMENTS.

The Plan may be amended by the shareholders of the Company. The Plan may also be amended by the Administrator, including, without limitation, to the extent necessary to qualify any or all outstanding Stock Rights granted under the Plan or Stock Rights to be granted under the Plan for favorable federal income tax treatment as may be afforded incentive stock options under Section 422 of the Code (including deferral of taxation upon exercise), and to the extent necessary to qualify the Shares issuable under the Plan for listing on any national securities exchange or quotation in any national automated quotation system of securities dealers. Any amendment approved by the Administrator which the Administrator determines is of a scope that requires shareholder approval shall be subject to obtaining such shareholder approval. Any modification or amendment of the Plan shall not, without the consent of a Participant, adversely affect his or her rights under a Stock Right previously granted to him or her. With the consent of the Participant affected, the Administrator may amend outstanding Agreements in a manner which may be adverse to the Participant but which is not inconsistent with the Plan. In the discretion of the Administrator, outstanding Agreements may be amended by the Administrator in a manner which is not adverse to the Participant.

32. EMPLOYMENT OR OTHER RELATIONSHIP.

Nothing in this Plan or any Agreement shall be deemed to prevent the Company or an Affiliate from terminating the employment, consultancy or director status of a Participant, nor to prevent a Participant from terminating his or her own employment, consultancy or director status or to give any Participant a right to be retained in employment or other service by the Company or any Affiliate for any period of time.

33. GOVERNING LAW.

This Plan shall be construed and enforced in accordance with the law of the State of Delaware.

Exhibit 10.14(b)
Option No._____

DARÉ BIOSCIENCE OPERATIONS, INC.

Stock Option Grant Notice
Stock Option Grant under the Company's
Amended and Restated 2015 Employee, Director and Consultant Equity Incentive Plan

1. Name and Address of Participant:

2. Date of Option Grant: _____

3. Type of Grant:

4. Maximum Number of Shares for which this Option is exercisable:

5. Exercise (purchase) price per share:

6. Option Expiration Date:_____

7. Vesting Start Date:_____

8. Vesting Schedule: This Option shall become exercisable (and the Shares issued upon exercise shall be vested) as follows provided the Participant is an Employee, director or Consultant of the Company or of an Affiliate on the applicable vesting date:

In no event shall any additional Shares vest after Participant's service with the Company ceases.

The foregoing rights are cumulative and are subject to the other terms and conditions of this Agreement and the Plan.

The Company and the Participant acknowledge receipt of this Stock Option Grant Notice and agree to the terms of the Stock Option Agreement attached hereto and incorporated by reference herein, the Company's Amended and Restated 2015 Employee, Director and Consultant Equity Incentive Plan and the terms of this Option Grant as set forth above.

DARÉ BIOSCIENCE OPERATIONS, INC.

By:
Name:
Title:

Participant

DARÉ BIOSCIENCE OPERATIONS, INC.

STOCK OPTION AGREEMENT - INCORPORATED TERMS AND CONDITIONS

This AGREEMENT is made as of the date of grant set forth in the Stock Option Grant Notice by and between Daré Bioscience Operations, Inc., (the "Company"), a Delaware corporation, and the individual whose name appears on the Stock Option Grant Notice (the "Participant").

WHEREAS, the Company desires to grant to the Participant an Option to purchase shares of its common stock, $0.001 par value per share (the "Shares"), under and for the purposes set forth in the Company's Amended and Restated 2015 Employee, Director and Consultant Equity Incentive Plan (the "Plan");

WHEREAS, the Company and the Participant understand and agree that any terms used and not defined herein have the same meanings as in the Plan; and

WHEREAS, the Company and the Participant each intend that the Option granted herein shall be of the type set forth in the Stock Option Grant Notice.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto agree as follows:

1. GRANT OF OPTION.

The Company hereby grants to the Participant the right and option to purchase all or any part of an aggregate of the number of Shares set forth in the Stock Option Grant Notice, on the terms and conditions and subject to all the limitations set forth herein, under United States securities and tax laws, and in the Plan, which is incorporated herein by reference. The Participant acknowledges receipt of a copy of the Plan.

2. EXERCISE PRICE.

The exercise price of the Shares covered by the Option shall be the amount per Share set forth in the Stock Option Grant Notice, subject to adjustment, as provided in the Plan, in the event of a stock split, reverse stock split or other events affecting the holders of Shares after the date hereof (the "Exercise Price"). Payment shall be made in accordance with Paragraph 9 of the Plan.

3. EXERCISABILITY OF OPTION.

Subject to the terms and conditions set forth in this Agreement and the Plan, the Option granted hereby shall become vested and exercisable as set forth in the Stock Option Grant Notice and is subject to the other terms and conditions of this Agreement and the Plan.

4. TERM OF OPTION.

This Option shall terminate on the Option Expiration Date as specified in the Stock Option Grant Notice and, if this Option is designated in the Stock Option Grant Notice as an ISO and the Participant owns as of the date hereof more than 10% of the total combined voting power of all classes of capital stock of the Company or an Affiliate, such date may not be more than five years from the date of this Agreement, but shall be subject to earlier termination as provided herein or in the Plan.

If the Participant ceases to be an Employee, director or Consultant of the Company or of an Affiliate for any reason other than the death or Disability of the Participant, or termination of the Participant for Cause (the "Termination Date"), the Option to the extent then vested and exercisable pursuant to Section 3 hereof as of the Termination Date, and not previously terminated in accordance with this Agreement, may be exercised within three months after the Termination Date, or on or prior to the Option Expiration Date as specified in the Stock Option Grant Notice, whichever is earlier, but may not be exercised thereafter except as set forth below. In such

event, the unvested portion of the Option shall not be exercisable and shall expire and be cancelled on the Termination Date.

If this Option is designated in the Stock Option Grant Notice as an ISO and the Participant ceases to be an Employee of the Company or of an Affiliate but continues after termination of employment to provide service to the Company or an Affiliate as a director or Consultant, this Option shall continue to vest in accordance with Section 3 above as if this Option had not terminated until the Participant is no longer providing services to the Company. In such case, this Option shall automatically convert and be deemed a Non-Qualified Option as of the date that is three months from termination of the Participant's employment and this Option shall continue on the same terms and conditions set forth herein until such Participant is no longer providing service to the Company or an Affiliate.

Notwithstanding the foregoing, in the event of the Participant's Disability or death within three months after the Termination Date, the Participant or the Participant's Survivors may exercise the Option within one year after the Termination Date, but in no event after the Option Expiration Date as specified in the Stock Option Grant Notice.

In the event the Participant's service is terminated by the Company or an Affiliate for Cause, the Participant's right to exercise any unexercised portion of this Option even if vested shall cease immediately as of the time the Participant is notified his or her service is terminated for Cause, and this Option shall thereupon terminate. Notwithstanding anything herein to the contrary, if subsequent to the Participant's termination, but prior to the exercise of the Option, the Administrator determines that, either prior or subsequent to the Participant's termination, the Participant engaged in conduct which would constitute Cause, then the Participant shall immediately cease to have any right to exercise the Option and this Option shall thereupon terminate.

In the event of the Disability of the Participant, as determined in accordance with the Plan, the Option shall be exercisable within one year after the Participant's termination of service due to Disability or, if earlier, on or prior to the Option Expiration Date as specified in the Stock Option Grant Notice. In such event, the Option shall be exercisable:

(a) to the extent that the Option has become exercisable but has not been exercised as of the date of the Participant's termination of service due to Disability; and

(b) in the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion through the date of the Participant's termination of service due to Disability of any additional vesting rights that would have accrued on the next vesting date had the Participant not become Disabled. The proration shall be based upon the number of days accrued in the current vesting period prior to the date of the Participant's termination of service due to Disability.

In the event of the death of the Participant while an Employee, director or Consultant of the Company or of an Affiliate, the Option shall be exercisable by the Participant's Survivors within one year after the date of death of the Participant or, if earlier, on or prior to the Option Expiration Date as specified in the Stock Option Grant Notice. In such event, the Option shall be exercisable:

(x) to the extent that the Option has become exercisable but has not been exercised as of the date of death; and

(y) in the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion through the date of death of any additional vesting rights that would have accrued on the next vesting date had the Participant not died. The proration shall be based upon the number of days accrued in the current vesting period prior to the Participant's date of death.

5. METHOD OF EXERCISING OPTION.

Subject to the terms and conditions of this Agreement, the Option may be exercised by written notice to the Company or its designee, in substantially the form of Exhibit A attached hereto (or in such other form acceptable to the Company, which may include electronic notice). Such notice shall state the number of Shares with respect to which the Option is being exercised and shall be signed by the person exercising the Option (which signature may be provided electronically in a form acceptable to the Company). Payment of the Exercise Price for such Shares shall be made in accordance with Paragraph 9 of the Plan. The Company shall deliver such Shares as soon as practicable after the notice shall be received, provided, however, that the Company may delay issuance of such Shares until completion of any action or obtaining of any consent, which the Company deems necessary under any applicable law (including, without limitation, state securities or "blue sky" laws). The Shares as to which the Option shall have been so exercised shall be registered in the Company's share register in the name of the person so exercising the Option (or, if the Option shall be exercised by the Participant and if the Participant shall so request in the notice exercising the Option, shall be registered in the Company's share register in the name of the Participant and another person jointly, with right of survivorship) and shall be delivered as provided above to or upon the written order of the person exercising the Option. In the event the Option shall be exercised, pursuant to Section 4 hereof, by any person other than the Participant, such notice shall be accompanied by appropriate proof of the right of such person to exercise the Option. All Shares that shall be purchased upon the exercise of the Option as provided herein shall be fully paid and nonassessable.

6. PARTIAL EXERCISE.

Exercise of this Option to the extent above stated may be made in part at any time and from time to time within the above limits, except that no fractional share shall be issued pursuant to this Option.

7. NON-ASSIGNABILITY.

The Option shall not be transferable by the Participant otherwise than by will or by the laws of descent and distribution. For California Participants, the Option shall not be transferable other than by will, by the laws of descent and distribution, to a revocable trust or as permitted by Rule 701 of the Securities Act of 1933. If this Option is a Non-Qualified Option then it may also be transferred pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act or the rules thereunder and the Participant, with the approval of the Administrator, may transfer the Option for no consideration to or for the benefit of the Participant's Immediate Family (including, without limitation, to a trust for the benefit of the Participant's Immediate Family or to a partnership or limited liability company for one or more members of the Participant's Immediate Family), subject to such limits as the Administrator may establish, and the transferee shall remain subject to all the terms and conditions applicable to the Option prior to such transfer and each such transferee shall so acknowledge in writing as a condition precedent to the effectiveness of such transfer. The term "Immediate Family" shall mean the Participant's spouse, former spouse, parents, children, stepchildren, adoptive relationships, sisters, brothers, nieces, nephews and grandchildren (and, for this purpose, shall also include the Participant). Except as provided above in this paragraph, the Option shall be exercisable, during the Participant's lifetime, only by the Participant (or, in the event of legal incapacity or incompetency, by the Participant's guardian or representative) and shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of the Option or of any rights granted hereunder contrary to the provisions of this Section 7, or the levy of any attachment or similar process upon the Option shall be null and void.

8. NO RIGHTS AS STOCKHOLDER UNTIL EXERCISE.

The Participant shall have no rights as a stockholder with respect to Shares subject to this Agreement until registration of the Shares in the Company's share register in the name of the Participant. Except as is expressly provided in the Plan with respect to certain changes in the capitalization of the Company, no adjustment shall be made for dividends or similar rights for which the record date is prior to the date of such registration.

9. ADJUSTMENTS.

The Plan contains provisions covering the treatment of Options in a number of contingencies such as stock splits and mergers. Provisions in the Plan for adjustment with respect to stock subject to Options and the related provisions with respect to successors to the business of the Company are hereby made applicable hereunder and are incorporated herein by reference.

10. TAXES.

The Participant acknowledges and agrees that (i) any income or other taxes due from the Participant with respect to this Option or the Shares issuable upon exercise of this Option shall be the Participant's responsibility; (ii) the Participant was free to use professional advisors of his or her choice in connection with this Agreement, has received advice from his or her professional advisors in connection with this Agreement, understands its meaning and import, and is entering into this Agreement freely and without coercion or duress; (iii) the Participant has not received and is not relying upon any advice, representations or assurances made by or on behalf of the Company or any Affiliate or any Employee of or counsel to the Company or any Affiliate regarding any tax or other effects or implications of the Option, the Shares or other matters contemplated by this Agreement and (iv) neither the Administrator, the Company, its Affiliates, nor any of its officers or directors, shall be held liable for any applicable costs, taxes, or penalties associated with the Option if, in fact, the Internal Revenue Service were to determine that the Option constitutes deferred compensation under Section 409A of the Code.

If this Option is designated in the Stock Option Grant Notice as a Non-Qualified Option or if the Option is an ISO and is converted into a Non-Qualified Option and such Non-Qualified Option is exercised, the Participant agrees that the Company may withhold from the Participant's remuneration, if any, the minimum statutory amount of federal, state and local withholding taxes attributable to such amount that is considered compensation includable in such person's gross income. At the Company's discretion, the amount required to be withheld may be withheld in cash from such remuneration, or in kind from the Shares otherwise deliverable to the Participant on exercise of the Option. The Participant further agrees that, if the Company does not withhold an amount from the Participant's remuneration sufficient to satisfy the Company's income tax withholding obligation, the Participant will reimburse the Company on demand, in cash, for the amount under-withheld.

11. PURCHASE FOR INVESTMENT.

Unless the offering and sale of the Shares to be issued upon the particular exercise of the Option shall have been effectively registered under the Securities Act of 1933, as now in force or hereafter amended (the "1933 Act"), the Company shall be under no obligation to issue the Shares covered by such exercise unless the Company has determined that such exercise and issuance would be exempt from the registration requirements of the 1933 Act and until the following conditions have been fulfilled:

(a) The person(s) who exercise the Option shall warrant to the Company, at the time of such exercise, that such person(s) are acquiring such Shares for their own respective accounts, for investment, and not with a view to, or for sale in connection with, the distribution of any such Shares, in which event the person(s) acquiring such Shares shall be bound by the provisions of the following legend which shall be endorsed upon any certificate(s) evidencing the Shares issued pursuant to such exercise:

"The shares represented by this certificate have been taken for investment and they may not be sold or otherwise transferred by any person, including a pledgee, unless (1) either (a) a Registration Statement with respect to such shares shall be effective under the Securities Act of 1933, as amended, or (b) the Company shall have received an opinion of counsel satisfactory to it that an exemption from registration under such Act is then available, and (2) there shall have been compliance with all applicable state securities laws;" and

(b) If the Company so requires, the Company shall have received an opinion of its counsel that the Shares may be issued upon such particular exercise in compliance with

the 1933 Act without registration thereunder. Without limiting the generality of the foregoing, the Company may delay issuance of the Shares until completion of any action or obtaining of any consent, which the Company deems necessary under any applicable law (including without limitation state securities or "blue sky" laws).

12. RESTRICTIONS ON TRANSFER OF SHARES.

12.1 The Shares acquired by the Participant pursuant to the exercise of the Option granted hereby shall not be transferred by the Participant except as permitted herein.

12.2 In the event of the Participant's termination of service for any reason, the Company shall have the option, but not the obligation, to repurchase all or any part of the Shares issued pursuant to this Agreement (including, without limitation, Shares purchased after termination of service, Disability or death in accordance with Section 4 hereof). In the event the Company does not, upon the termination of service of the Participant (as described above), exercise its option pursuant to this Section 12.2, the restrictions set forth in the balance of this Agreement shall not thereby lapse, and the Participant for himself or herself, his or her heirs, legatees, executors, administrators and other successors in interest, agrees that the Shares shall remain subject to such restrictions. The following provisions shall apply to a repurchase under this Section 12.2:

(i) The per share repurchase price of the Shares to be sold to the Company upon exercise of its option under this Section 12.2 shall be equal to the Fair Market Value of each such Share determined in accordance with the Plan as of the date of repurchase provided, however, in the event of a termination by the Company for Cause, the per share repurchase price of the Shares to be sold to the Company upon exercise of its option under this Section 12.2 shall be equal to the lesser of the Exercise Price and the Fair Market Value on the date of the repurchase.

(ii) The Company's option to repurchase the Participant's Shares in the event of termination of service shall be valid for a period of 12 months commencing with the date of such termination of service.

(iii) In the event the Company shall be entitled to and shall elect to exercise its option to repurchase the Participant's Shares under this Section 12.2, the Company shall notify the Participant, or in case of death, his or her Survivor, in writing of its intent to repurchase the Shares. Such written notice may be mailed by the Company up to and including the last day of the time period provided for in Section 12.2(ii) for exercise of the Company's option to repurchase.

(iv) The written notice to the Participant shall specify the address at, and the time and date on, which payment of the repurchase price is to be made (the "Closing"). The date specified shall not be less than ten days nor more than 60 days from the date of the mailing of the notice, and the Participant or his or her successor in interest with respect to the Shares shall have no further rights as the owner thereof from and after the date specified in the notice. At the Closing, the repurchase price shall be delivered to the Participant or his or her successor in interest and the Shares being purchased, duly endorsed for transfer, shall, to the extent that they are not then in the possession of the Company, be delivered to the Company by the Participant or his or her successor in interest.

12.3 It shall be a condition precedent to the validity of any sale or other transfer of any Shares by the Participant that the following restrictions be complied with (except as otherwise provided in this Section 12):

(i) No Shares owned by the Participant may be sold, pledged or otherwise transferred (including by gift or devise) to any person or entity, voluntarily, or by operation of law, except in accordance with the terms and conditions hereinafter set forth.

(ii) Before selling or otherwise transferring all or part of the Shares, the Participant shall give written notice of such intention to the Company, which notice shall include the name of the proposed transferee, the proposed purchase price per share, the terms of payment of such purchase price and all other matters relating to such sale or transfer and shall be accompanied by a copy of the

binding written agreement of the proposed transferee to purchase the Shares of the Participant. Such notice shall constitute a binding offer by the Participant to sell to the Company such number of the Shares then held by the Participant as are proposed to be sold in the notice at the monetary price per share designated in such notice, payable on the terms offered to the Participant by the proposed transferee (provided, however, that the Company shall not be required to meet any non-monetary terms of the proposed transfer, including, without limitation, delivery of other securities in exchange for the Shares proposed to be sold). The Company shall give written notice to the Participant as to whether such offer has been accepted in whole by the Company within 60 days after its receipt of written notice from the Participant. The Company may only accept such offer in whole and may not accept such offer in part. Such acceptance notice shall fix a time, location and date for the Closing on such purchase ("Closing Date") which shall not be less than ten nor more than sixty days after the giving of the acceptance notice, provided, however, if any of the Shares to be sold pursuant to this Section 12.3 have been held by the Participant for less than six months, then the Closing Date may be extended by the Company until no more than ten days after such Shares have been held by the Participant for six months if required under applicable accounting rules in effect at the time. The place for such Closing shall be at the Company's principal office. At such Closing, the Participant shall accept payment as set forth herein and shall deliver to the Company in exchange therefor certificates for the number of Shares stated in the notice accompanied by duly executed instruments of transfer.

(iii) If the Company shall fail to accept any such offer, the Participant shall be free to sell all, but not less than all, of the Shares set forth in his or her notice to the designated transferee at the price and terms designated in the Participant's notice, provided that (i) such sale is consummated within six months after the giving of notice by the Participant to the Company as aforesaid, and (ii) the transferee first agrees in writing to be bound by the provisions of this Section 12 so that such transferee (and all subsequent transferees) shall thereafter only be permitted to sell or transfer the Shares in accordance with the terms hereof. After the expiration of such six months, the provisions of this Section 12.3 shall again apply with respect to any proposed voluntary transfer of the Participant's Shares.

(iv) The restrictions on transfer contained in this Section 12.3 shall not apply to (a) transfers by the Participant to his or her spouse or children or to a trust for the benefit of his or her spouse or children, (b) transfers by the Participant to his or her guardian or conservator, and (c) transfers by the Participant, in the event of his or her death, to his or her executor(s) or administrator(s) or to trustee(s) under his or her will (collectively, "Permitted Transferees"); provided however, that in any such event the Shares so transferred in the hands of each such Permitted Transferee shall remain subject to this Agreement, and each such Permitted Transferee shall so acknowledge in writing as a condition precedent to the effectiveness of such transfer.

(v) The provisions of this Section 12.3 may be waived by the Company. Any such waiver may be unconditional or based upon such conditions as the Company may impose.

12.4 In the event that the Participant or his or her successor in interest fails to deliver the Shares to be repurchased by the Company under this Agreement, the Company may elect (a) to establish a segregated account in the amount of the repurchase price, such account to be turned over to the Participant or his or her successor in interest upon delivery of such Shares, and (b) immediately to take such action as is appropriate to transfer record title of such Shares from the Participant to the Company and to treat the Participant and such Shares in all respects as if delivery of such Shares had been made as required by this Agreement. The Participant hereby irrevocably grants the Company a power of attorney which shall be coupled with an interest for the purpose of effectuating the preceding sentence.

12.5 If the Company shall pay a stock dividend or declare a stock split on or with respect to any of its Common Stock, or otherwise distribute securities of the Company to the holders of its Common Stock, the number of shares of stock or other securities of the Company issued with respect to the shares then subject to the restrictions contained in this Agreement shall be added to the Shares subject to the Company's rights to repurchase pursuant to

this Agreement. If the Company shall distribute to its stockholders shares of stock of another corporation, the shares of stock of such other corporation, distributed with respect to the Shares then subject to the restrictions contained in this Agreement, shall be added to the Shares subject to the Company's rights to repurchase pursuant to this Agreement.

12.6 If the outstanding shares of Common Stock of the Company shall be subdivided into a greater number of shares or combined into a smaller number of shares, or in the event of a reclassification of the outstanding shares of Common Stock of the Company, or if the Company shall be a party to a merger, consolidation or capital reorganization, there shall be substituted for the Shares then subject to the restrictions contained in this Agreement such amount and kind of securities as are issued in such subdivision, combination, reclassification, merger, consolidation or capital reorganization in respect of the Shares subject immediately prior thereto to the Company's rights to repurchase pursuant to this Agreement.

12.7 The Company shall not be required to transfer any Shares on its books which shall have been sold, assigned or otherwise transferred in violation of this Agreement, or to treat as owner of such Shares, or to accord the right to vote as such owner or to pay dividends to, any person or organization to which any such Shares shall have been so sold, assigned or otherwise transferred, in violation of this Agreement.

12.8 The provisions of Sections 12.1, 12.2 and 12.3 shall terminate upon the consummation of a public offering of any of the Company's securities pursuant to a registration statement filed with the Securities and Exchange Commission pursuant to the 1933 Act.

12.9 The Participant agrees that in the event the Company proposes to offer for sale to the public any of its equity securities and such Participant is requested by the Company and any underwriter engaged by the Company in connection with such offering to sign an agreement restricting the sale or other transfer of Shares, then it will promptly sign such agreement and will not transfer, whether in privately negotiated transactions or to the public in open market transactions or otherwise, any Shares or other securities of the Company held by him or her during such period as is determined by the Company and the underwriters, not to exceed 180 days following the closing of the offering, plus such additional period of time as may be required to comply with NASD Rule 2711 or similar rules thereto (such period, the "Lock-Up Period"). Such agreement shall be in writing and in form and substance reasonably satisfactory to the Company and such underwriter and pursuant to customary and prevailing terms and conditions. Notwithstanding whether the Participant has signed such an agreement, the Company may impose stop-transfer instructions with respect to the Shares or other securities of the Company subject to the foregoing restrictions until the end of the Lock-Up Period.

12.10 The Participant acknowledges and agrees that neither the Company, its shareholders nor its directors and officers, has any duty or obligation to disclose to the Participant any material information regarding the business of the Company or affecting the value of the Shares before, at the time of, or following a termination of the service of the Participant by the Company, including, without limitation, any information concerning plans for the Company to make a public offering of its securities or to be acquired by or merged with or into another firm or entity.

12.11 All certificates representing the Shares to be issued to the Participant pursuant to this Agreement shall have endorsed thereon a legend substantially as follows: "The shares represented by this certificate are subject to restrictions set forth in a Stock Option Agreement dated November, 2015 with this Company, a copy of which Agreement is available for inspection at the offices of the Company or will be made available upon request."

13. NO OBLIGATION TO MAINTAIN RELATIONSHIP.

The Participant acknowledges that: (i) the Company is not by the Plan or this Option obligated to continue the Participant as an Employee, director or Consultant of the Company or an Affiliate; (ii) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (iii) the grant of the Option is a one-time benefit which does not create any contractual or other right to receive future grants of options, or benefits in lieu of options; (iv) all determinations with respect to any such future grants, including, but not limited to, the times when options shall be granted, the number of shares subject to each option, the option price, and the time or times when each option shall be exercisable, will be at the sole discretion of the Company; (v) the

Participant's participation in the Plan is voluntary; (vi) the value of the Option is an extraordinary item of compensation which is outside the scope of the Participant's employment or consulting contract, if any; and (vii) the Option is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

14. IF OPTION IS INTENDED TO BE AN ISO.

If this Option is designated in the Stock Option Grant Notice as an ISO so that the Participant (or the Participant's Survivors) may qualify for the favorable tax treatment provided to holders of Options that meet the standards of Section 422 of the Code then any provision of this Agreement or the Plan which conflicts with the Code so that this Option would not be deemed an ISO is null and void and any ambiguities shall be resolved so that the Option qualifies as an ISO. The Participant should consult with the Participant's own tax advisors regarding the tax effects of the Option and the requirements necessary to obtain favorable tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements.

Notwithstanding the foregoing, to the extent that the Option is designated in the Stock Option Grant Notice as an ISO and is not deemed to be an ISO pursuant to Section 422(d) of the Code because the aggregate Fair Market Value (determined as of the Date of Option Grant) of any of the Shares with respect to which this ISO is granted becomes exercisable for the first time during any calendar year in excess of $100,000, the portion of the Option representing such excess value shall be treated as a Non-Qualified Option and the Participant shall be deemed to have taxable income measured by the difference between the then Fair Market Value of the Shares received upon exercise and the price paid for such Shares pursuant to this Agreement.

Neither the Company nor any Affiliate shall have any liability to the Participant, or any other party, if the Option (or any part thereof) that is intended to be an ISO is not an ISO or for any action taken by the Administrator, including without limitation the conversion of an ISO to a Non-Qualified Option.

15. NOTICE TO COMPANY OF DISQUALIFYING DISPOSITION OF AN ISO.

If this Option is designated in the Stock Option Grant Notice as an ISO then the Participant agrees to notify the Company in writing immediately after the Participant makes a Disqualifying Disposition of any of the Shares acquired pursuant to the exercise of the ISO. A Disqualifying Disposition is defined in Section 424(c) of the Code and includes any disposition (including any sale) of such Shares before the later of (a) two years after the date the Participant was granted the ISO or (b) one year after the date the Participant acquired Shares by exercising the ISO, except as otherwise provided in Section 424(c) of the Code. If the Participant has died before the Shares are sold, these holding period requirements do not apply and no Disqualifying Disposition can occur thereafter.

16. NOTICES.

Any notices required or permitted by the terms of this Agreement or the Plan shall be given by recognized courier service, facsimile, registered or certified mail, return receipt requested, addressed as follows:

If to the Company:

Daré Bioscience Operations, Inc.
11119 North Torrey Pines Road, Suite 200
La Jolla, CA 92037
Attention: Chief Executive Officer

If to the Participant at the address set forth on the Stock Option Grant Notice or to such other address or addresses of which notice in the same manner has previously been given. Any such notice shall be deemed to have been given upon the earlier of receipt, one business day following delivery to a recognized courier service or three business days following mailing by registered or certified mail.

17. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the conflict of law principles thereof. For the purpose of litigating any dispute that arises under this Agreement, the parties hereby consent to exclusive jurisdiction in the State of California and agree that such litigation shall be conducted in the state courts of San Diego County, California or the federal courts of the United States for the Southern District of California.

18. BENEFIT OF AGREEMENT.

Subject to the provisions of the Plan and the other provisions hereof, this Agreement shall be for the benefit of and shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

19. ENTIRE AGREEMENT.

This Agreement, together with the Plan, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement not expressly set forth in this Agreement shall affect or be used to interpret, change or restrict, the express terms and provisions of this Agreement, provided, however, in any event, this Agreement shall be subject to and governed by the Plan.

20. MODIFICATIONS AND AMENDMENTS.

The terms and provisions of this Agreement may be modified or amended as provided in the Plan.

21. WAIVERS AND CONSENTS.

Except as provided in the Plan, the terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

22. DATA PRIVACY.

By entering into this Agreement, the Participant: (i) authorizes the Company and each Affiliate, and any agent of the Company or any Affiliate administering the Plan or providing Plan recordkeeping services, to disclose to the Company or any of its Affiliates such information and data as the Company or any such Affiliate shall request in order to facilitate the grant of options and the administration of the Plan; and (ii) authorizes the Company and each Affiliate to store and transmit such information in electronic form for the purposes set forth in this Agreement.

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Exhibit A

NOTICE OF EXERCISE OF STOCK OPTION

To: Daré Bioscience Operations, Inc.

Ladies and Gentlemen:

I hereby exercise my Stock Option to purchase _____ shares (the "Shares") of the common stock, $0.001 par value, of Daré Bioscience Operations, Inc. (the "Company"), at the exercise price of $_____ per share, pursuant to and subject to the terms of that certain Stock Option Agreement between the undersigned and the Company dated _____, 201_.

I am aware that the Shares have not been registered under the Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws. I understand that the reliance by the Company on exemptions under the 1933 Act is predicated in part upon the truth and accuracy of the statements by me in this Notice of Exercise.

I hereby represent and warrant that (1) I have been furnished with all information which I deem necessary to evaluate the merits and risks of the purchase of the Shares; (2) I have had the opportunity to ask questions concerning the Shares and the Company and all questions posed have been answered to my satisfaction; (3) I have been given the opportunity to obtain any additional information I deem necessary to verify the accuracy of any information obtained concerning the Shares and the Company; and (4) I have such knowledge and experience in financial and business matters that I am able to evaluate the merits and risks of purchasing the Shares and to make an informed investment decision relating thereto.

I hereby represent and warrant that I am purchasing the Shares for my own personal account for investment and not with a view to the sale or distribution of all or any part of the Shares.

I understand that because the Shares have not been registered under the 1933 Act, I must continue to bear the economic risk of the investment for an indefinite time and the Shares cannot be sold unless the Shares are subsequently registered under applicable federal and state securities laws or an exemption from such registration requirements is available.

I agree that I will in no event sell or distribute or otherwise dispose of all or any part of the Shares unless (1) there is an effective registration statement under the 1933 Act and applicable state securities laws covering any such transaction involving the Shares or (2) the Company receives an opinion of my legal counsel (concurred in by legal counsel for the Company) stating that such transaction is exempt from registration or the Company otherwise satisfies itself that such transaction is exempt from registration.

I consent to the placing of a legend on my certificate for the Shares stating that the Shares have not been registered and setting forth the restriction on transfer contemplated hereby and to the placing of a stop transfer order on the books of the Company and with any transfer agents against the Shares until the Shares may be legally resold or distributed without restriction.

I understand that at the present time Rule 144 of the Securities and Exchange Commission (the "SEC") may not be relied on for the resale or distribution of the Shares by me. I understand that the Company has no obligation to me to register the sale of the Shares with the SEC and has not represented to me that it will register the sale of the Shares.

I understand the terms and restrictions on the right to dispose of the Shares set forth in the Amended and Restated 2015 Employee, Director and Consultant Equity Incentive Plan and the Stock Option Agreement, both of which I have carefully reviewed. I consent to the placing of a legend on my certificate for the Shares referring to

such restriction and the placing of stop transfer orders until the Shares may be transferred in accordance with the terms of such restrictions.

I have considered the Federal, state and local income tax implications of the exercise of my Option and the purchase and subsequent sale of the Shares.

I am paying the option exercise price for the Shares as follows:

_____

Please issue the Shares (check one):

☐ to me; or

☐ to me and _____, as joint tenants with right of survivorship

and mail the certificate to me at the following address:

_____
_____
_____

My mailing address for shareholder communications, if different from the address listed above is:

_____
_____
_____

Very truly yours,

Participant (signature)

Print Name

Date

Social Security Number

Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

Name	**Jurisdiction of Organization**
Daré Bioscience Operations, Inc.	Delaware
Daré Bioscience Australia Pty Ltd	Australia

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

As independent registered public accountants, we hereby consent to the incorporation by reference in Registration Statement No. 333-206396 on Form S-3 of our report dated March 28, 2018, with respect to the financial statements of Daré Bioscience, Inc. for each of the years in the two year period ended December 31, 2017, included in this annual report on Form 10-K of Daré Bioscience, Inc. for the year ended December 31, 2017.

/s/ Mayer Hoffman McCann P.C.

San Diego, California
March 28, 2018

Exhibit 31.1

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

I, Sabrina Martucci Johnson, certify that:

1. I have reviewed this annual report on Form 10-K of Daré Bioscience, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: March 28, 2018

/s/ Sabrina Martucci Johnson
Sabrina Martucci Johnson
President and Chief Executive Officer
(principal executive officer)

Exhibit 31.2

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

I, Lisa Walters-Hoffert, certify that:

1. I have reviewed this annual report on Form 10-K of Daré Bioscience, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: March 28, 2018

/s/ Lisa Walters-Hoffert
Lisa Walters-Hoffert
Chief Financial Officer
(principal financial officer and principal accounting officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Daré Bioscience, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Annual Report for the year ended December 31, 2017 (the "Form 10-K") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 28, 2018

/s/ Sabrina Martucci Johnson
Sabrina Martucci Johnson
President and Chief Executive Officer
(principal executive officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Daré Bioscience, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Annual Report for the year ended December 31, 2017 (the "Form 10-K") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 28, 2018 /s/ Lisa Walters-Hoffert

Lisa Walters-Hoffert
Chief Financial Officer
(principal financial officer and principal accounting officer)