As filed with the Securities and Exchange Commission on October 5, 2018.

Registration No. 333-

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

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

Axonics Modulation Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware	3841	45-4744083
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

26 Technology Drive
Irvine, California 92618
(949) 396-6322
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Raymond W. Cohen
Chief Executive Officer
Axonics Modulation Technologies, Inc.
26 Technology Drive
Irvine, California 92618
(949) 396-6322
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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Irvine, California 92614	Irvine, California 92618	(212) 848-4000
(949) 253-0900	(949) 396-6322	

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

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

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

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging Growth Company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided to Section 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Common Stock, $0.0001 par value per share	$86,250,000	$10,454

(1) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended. Includes the offering price of shares that the underwriters have the option to purchase.
(2) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.

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

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus dated October 5, 2018

PROSPECTUS

Shares

Axonics Modulation Technologies, Inc.

Common Stock

This is Axonics Modulation Technologies, Inc.'s initial public offering. We are selling shares of our common stock.

We expect the public offering price to be between $ and $ per share. Currently, no public market exists for the shares. After pricing of the offering, we expect that the shares will trade on the Nasdaq Global Market under the symbol "AXNX."

We are an "emerging growth company" under the federal securities laws and are subject to reduced public company disclosure standards. See "Prospectus Summary—Implications of Being an Emerging Growth Company."

Investing in our common stock involves risks that are described in the "Risk Factors" section beginning on page 16 of this prospectus.

	Per Share	Total
Public offering price	$	$
Underwriting discount(1)	$	$
Proceeds, before expenses, to us	$	$

(1) We refer you to "Underwriting" beginning on page 207 for additional information regarding underwriting compensation.

The underwriters may also exercise their option to purchase up to an additional shares from us, at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus.

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

Certain of our existing stockholders that are affiliated with certain of our directors have indicated an interest in purchasing an aggregate of up to approximately $ million in shares of our common stock in this offering at the initial public offering price. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters may determine to sell more, fewer or no shares in this offering to any or all of these stockholders, or any or all of these stockholders may determine to purchase more, fewer or no shares in this offering. The underwriters will receive the same underwriting discount on any shares purchased by these stockholders as they will on any other shares sold to the public in this offering.

The shares will be ready for delivery on or about , 2018.

BofA Merrill Lynch **Morgan Stanley**

Wells Fargo Securities **SunTrust Robinson Humphrey**

The date of this prospectus is , 2018.

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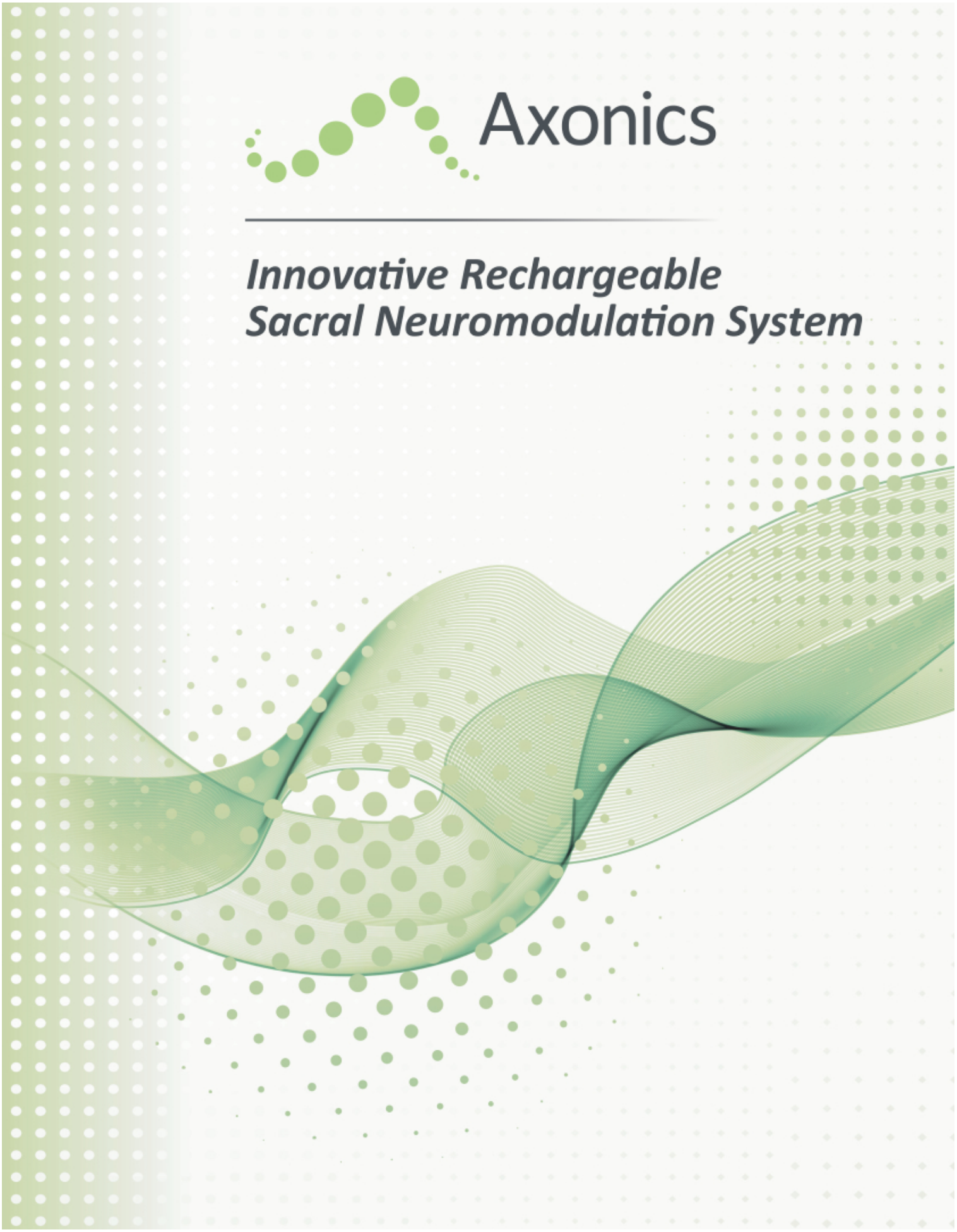

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We have not, and the underwriters have not, authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectus prepared by or on behalf of us. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under the circumstances and in the jurisdictions where it is lawful to do so. The information contained in this prospectus or in any applicable free writing prospectus is current only as of its date, regardless of its time of delivery or any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States: We have not, and the underwriters have not, done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside the United States.

This prospectus includes our trademarks and trade names, including, without limitation, r-SNM® and Axonics SNM System®, which are our property and are protected under applicable intellectual property laws. This prospectus also includes trademarks and trade names that are the property of other organizations. Solely for convenience, trademarks and trade names referred to in this prospectus appear without the ® and ™ symbols, but those references are not intended to indicate that we will not assert, to the fullest extent under applicable law, our rights, or that the applicable owner will not assert its rights, to these trademarks and trade names. We do not intend our use or display of other companies' trade names or trademarks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information you should consider in making your investment decision. Before deciding to invest in shares of our common stock, you should read the entire prospectus carefully, including "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the consolidated financial statements and the related notes appearing at the end of this prospectus. Unless the context requires otherwise, references in this prospectus to "Axonics," "our company," "we," "us" and "our" refer to Axonics Modulation Technologies, Inc. and our consolidated subsidiaries.

Overview

We are a medical technology company focused on the design, development, and commercialization of innovative and minimally invasive sacral neuromodulation, or SNM, solutions. SNM therapy is primarily used to treat patients with overactive bladder, or OAB, fecal incontinence, or FI, and urinary retention, or UR. Our proprietary rechargeable SNM system, or our r-SNM System, delivers mild electrical pulses to the targeted sacral nerve in order to restore normal communication to and from the brain to reduce the symptoms of OAB, FI, and UR. We believe our proprietary r-SNM System offers significant advantages, including being the first and only rechargeable SNM system that is designed to be 60% smaller than existing technology and to last approximately 15 years. We currently have marketing approvals in Europe, Canada, and Australia for OAB, FI, and UR, and expect to submit a pre-market approval, or PMA, application to the U.S. Food and Drug Administration, or FDA, for urinary urgency incontinence, or UUI, a predominant OAB subtype, during the first quarter of 2019. We believe our r-SNM System has the potential to disrupt and grow the approximately $605 million global SNM market in 2017, which is currently controlled by a single participant.

We are continuing to develop a growing body of compelling clinical evidence that demonstrates the safety, effectiveness, and sustained benefits of our r-SNM System. We have two clinical studies relating to our r-SNM System, a European study, RELAX-OAB, and a U.S. pivotal study, ARTISAN-SNM. In our clinical work to date, we have implanted 180 patients, with an additional 41 patients being treated in our investigator-initiated case series and commercially. In June 2018, we completed the enrollment and implantation of 129 patients with UUI for our ARTISAN-SNM pivotal study. These patients are being evaluated at 14 centers in the United States and five in Europe. Out of 129 patients, 119 were directly implanted without an external trial period. We have determined the study's primary endpoint to be the percentage of test responders that have a therapeutic response, defined as at least a 50% reduction in the number of urgency leaks per day on a three-day bladder diary at six months post-implant. All patients were evaluated as being "test responders" or "test failures" based on their therapy response at the one-month follow-up. "Test responders" were defined as showing at least a 50% reduction in urgency leaks on a three-day bladder diary at the one-month follow-up. 113 of the 129 patients, or approximately 88%, were determined to be test responders at the one-month follow-up. The remaining 16 of 129 patients, or approximately 12%, were determined to be test failures at the one-month follow-up. We have obtained partial three-month data for this study for 110 patients and 95 test responders. In these partial three-month results, therapy response rate was 96% for test responders and 87% for all patients, and 95% of test responders and 89% of all patients were "very" or "moderately" satisfied with the therapy. We expect that six-month results will be available in the first quarter of 2019. Further, we expect to submit our PMA application to the FDA during the first quarter of 2019. Typically, the PMA review process can take from six to 18 months, with the duration depending on a variety of factors. We plan to continue to collect long-term data out to two years, with the 12-month results anticipated to be available in the third quarter of 2019.

As part of the investigational device exemption, or IDE, approval process for our ARTISAN-SNM pivotal study, the FDA recommended that we should make several modifications to the study design in order for the study to serve as the primary clinical support for a future marketing approval. Although we have not modified

the ARTISAN-SNM pivotal study design to address all of the considerations that the FDA has reiterated, based on the preliminary study results to date, and assuming sufficiently strong results at six months and beyond, we believe we will be able to provide the FDA with reasonable assurance of the safety and effectiveness of our r-SNM System to support its marketing approval.

Our European RELAX-OAB study that began in June 2016 evaluated 51 patients at seven sites in Europe that suffered from OAB subtypes UUI and/or urinary urgency frequency, or UUF. The three-month results were published in the peer-reviewed *Journal of Neurourology and Urodynamics* in February 2018 and 12-month results have been submitted for publication. All patients were directly implanted and evaluated to determine if they were test responders, which was defined as showing at least a 50% reduction in the number of average leaks or voids per day or a reduction to less than eight voids per day, in each case on a three-day bladder diary, within one month. At three months, results for 48 patients who continued with study follow-up showed a therapeutic response rate of 91% for test responders and 71% for all implanted patients. The therapeutic response rate was sustained at 12 months for the 43 patients who continued with study follow-up, at 94% for test responders and 72% for all implanted patients. During the study, patients experienced clinically meaningful improvements in quality of life, and at 12 months, 84% of test responders and 77% of all patients were “very” or “moderately” satisfied with the therapy provided by our r-SNM System. We are following patients out to two years in this study and may follow patients out to five years at selected study sites.

OAB and FI are dysfunctions, rather than diseases, with a complex group of symptoms that frequently overlap and may be caused by a diverse set of conditions. These dysfunctions affect individuals of both sexes and all ages. OAB causes a sudden urge to urinate that may be difficult to stop, and could lead to the involuntary leakage of urine. In the United States and Europe, based on phone-based surveys, an estimated 87 million adults suffer from OAB. The primary OAB subtypes are UUI and UUF. UUI is the sudden need to urinate accompanied by involuntary leakage of urine, regardless of frequency. UUF is the sudden need to urinate an abnormal number of times, typically more than eight times per day, a measure we believe to be generally accepted among the relevant physician community. FI is the inability to control bowel function that could lead to involuntary leakage from the rectum. In the United States and Europe, an estimated 40 million adults suffer from FI. Symptoms of OAB and FI can have debilitating impacts on social, occupational, and daily activities, which can lead to loss of self-confidence, depression, anxiety, and decreased sexual function and marital satisfaction. Comorbidities, which are generally more prevalent in patients with OAB and FI, may include falls and fractures, urinary tract infections, skin infections, vulvovaginitis, and cardiovascular and central nervous system pathologies. Left untreated, the effects of these dysfunctions impose a significant cost to society and place a high burden on healthcare systems.

First-line therapies for OAB include behavioral changes such as diet, exercise, timed voiding, pelvic floor exercises, and biofeedback, all of which often have limited effectiveness. Second-line therapies for OAB consist of drug therapy and medical management, and may be effective; however, the use of medication can cause undesirable side effects and the effectiveness may decrease over time with prolonged use. First- and second-line therapies comprise the largest segment of the treatment market for OAB, and medication and other non-implantable treatments are better known to physicians and hospitals than SNM therapy. Patients who fail, or are contraindicated or refractory for, both first- and second-line therapies may be eligible for SNM as a third-line therapy. SNM therapy has been commercially available in the United States for over 20 years and has been clinically proven to provide a safe, effective, reversible, and long-lasting solution. According to a study published in Neurourology and Urodynamics, by Siegel et al. in 2014, SNM therapy is the only third-line therapy for OAB that has objectively demonstrated superior efficacy to standard OAB medical therapy. Relative to the other third-line therapies such as onabotulinumtoxinA, or BOTOX, injections and percutaneous tibial nerve stimulation, or PTNS, we believe SNM therapy has therapeutic advantages that include better efficacy and patient compliance.

We believe that our innovative and proprietary r-SNM System offers similar therapeutic benefits and competitive advantages to the only currently available SNM technology, InterStim II System, or InterStim II, offered by Medtronic plc, or Medtronic. We believe that our r-SNM System is the first and only system for SNM therapy with a rechargeable implantable pulse generator, or IPG, battery that is designed to last approximately 15 years. As a result, patients implanted with our r-SNM System do not need to undergo replacement surgery on average every 4.4 years, as is the case for patients implanted with InterStim II, which we believe will significantly improve patient experience and reduce the risks of surgery and associated infections. In addition, we believe patients who have historically resisted SNM therapy because of the required multiple surgeries may be more inclined to be treated by our r-SNM System. Further, by reducing the number of replacement surgeries, physicians and facilities can utilize their resources more efficiently. Finally, our technology has the potential to significantly reduce overall costs to the healthcare system. In 2016, we commissioned a study that concluded that a rechargeable SNM system with a 15-year battery life could potentially reduce overall U.S. healthcare costs by up to $12 billion over a 15-year horizon.

We have designed and developed a proprietary method protected by patents, know-how, and trade secrets that enables us to combine ceramic and titanium for the IPG enclosure of our r-SNM System. This method enables us to incorporate a significantly smaller recharging coil into our IPG, which offers benefits such as 60% smaller size and half the weight of InterStim II and enhanced communication range. In addition, we also engineered our IPG to deliver constant current stimulation, which adapts to the body's physiological changes, which we expect will provide a more consistent and reliable therapy over time and reduce patient and physician management of the therapy. Further, our r-SNM System offers significant wireless charging benefits and an easy-to-use patient remote control. Finally, we designed and custom built a touchscreen clinician programmer that guides the implanting physician through electrode placement and stimulation programming. We also intend to continue to invest in research and development activities focused on improvements and enhancements to our r-SNM System. Our goals include introducing market differentiating 1.5T/3.0T magnetic resonance imaging, or MRI, full body conditional labelling for our r-SNM System, reducing by half the number of IPG battery recharging sessions required for the IPG to remain charged for one full month, introducing compatibility features that would enable us to compete with the replacement of the IPG of InterStim II, and expanding the suite of product solutions available for SNM therapy over time.

Our r-SNM System consists of several components and accessories that provide a smoothly integrated, long-lasting, intuitive, and easy-to-use system. The miniaturized IPG is a five cubic centimeter, rechargeable implantable stimulator designed to provide stimulation through a tined four-electrode lead. SNM therapy generally consists of two phases, an evaluation period, also called the external trial period, which typically lasts a few days to a few weeks, and a permanent implant for those patients who experience a successful external trial period. The permanent implant procedure typically occurs in a hospital or an outpatient setting and includes implantation of the IPG and, if a temporary lead was used for the external trial period, implantation of the permanent lead. The IPG is inserted through a small incision into a pocket in the subcutaneous fat of the upper buttocks, and the lead body is tunneled to the IPG pocket and connected to the IPG. The IPG is programmed by, and wirelessly communicates with, the clinician programmer, at a range of up to approximately three feet. The patient has the ability to adjust stimulation intensity up or down or switch on or off, using a discrete, small and easy-to-use wireless remote control that communicates with the device at a range of up to approximately three feet. The IPG is wirelessly charged with an interval of approximately one hour once every two weeks under normal use conditions.

We intend to focus the significant majority of our sales and marketing efforts in the United States where reimbursement for SNM therapy is well-established and covered by most major U.S. insurers. We plan to build a specialized and dedicated direct sales organization, which will initially target the estimated 850 physician specialists that represent a majority of the implant volume in the United States. We estimate that approximately 75% of U.S. implant volume is generated by less than 1,000 physicians. In addition, we plan to strategically

expand into international markets where reimbursement for SNM therapy is established. We will initially endeavor to hire a specialty sales force of approximately 60 sales representatives in anticipation of our potentially receiving FDA approval to support the commercial launch of our r-SNM System in the United States. Further, we expect to grow our sales force over time and the number of our sales representatives at commercial launch will vary and may be higher depending on the duration of the PMA review process.

On October 1, 2013, we entered into a license agreement, or the License Agreement, with the Alfred E. Mann Foundation for Scientific Research, or AMF, pursuant to which AMF agreed to license to us certain patents and know-how, which we refer to collectively as the AMF IP, relating to, in relevant part, an implantable pulse generator and related system components in development by AMF as of that date, in addition to any peripheral or auxiliary devices, including all components, that when assembled, comprise such device, excluding certain implantable pulse generators, altogether which we refer to as, the AMF Licensed Products.

Our Success Factors

We believe that continued growth of our company will be driven by the following success factors:

- ***Large and growing SNM market with established coverage and reimbursement.*** SNM treatment for OAB, FI, and UR is a well-established therapy. Since the first FDA-approved SNM device, InterStim I System, was introduced in 1997, over 300,000 patients have been implanted worldwide with such system and its successor InterStim II. In 2017, we believe that approximately 41,000 patients were implanted with SNM therapy, including 11,000 patients undergoing replacement implants, corresponding to an approximately $605 million global SNM market and approximately 8% year-over-year growth. With the global annual addressable SNM market currently estimated to be approximately one percent penetrated, we believe that the introduction of a new and highly differentiated SNM solution has the potential to grow the market in excess of historical rates. In addition, because SNM therapy has been widely used in patients for over 20 years in the United States, which we believe makes up nearly 90% of the sales in the global SNM market, reimbursement codes and payments are well-established and the procedure is covered by most major U.S. insurers.

- ***Long-term solution offering material benefits to patients, physicians, and payors***. We believe that our r-SNM System is the first and only system for SNM therapy with a rechargeable IPG battery that is designed to last approximately 15 years. As a result, patients implanted with our r-SNM System do not need to undergo replacement surgery on average every 4.4 years, as is the case for patients implanted with InterStim II, which is not a rechargeable system. We believe a rechargeable system will significantly improve a patient's experience and reduce the risks of surgery and associated infections. In addition, by reducing the number of replacement surgeries, physicians and facilities can utilize their resources more efficiently. Finally, we believe that our technology has the potential to significantly reduce overall costs to the healthcare system. In 2016, we commissioned a study that concluded that a rechargeable SNM system with a 15-year battery life could potentially reduce overall U.S. healthcare costs by up to $12 billion over a 15-year horizon.

- ***Significant competitive and functional advantages over the only approved SNM device***. We believe that our r-SNM System's innovative and proprietary design offers significant competitive and functional advantages over InterStim II. Our proprietary method of combining ceramic and titanium for the IPG enclosure enables us to incorporate a significantly smaller recharging coil into our IPG, which offers benefits such as 60% smaller size and half the weight of InterStim II and enhanced communication range. In addition, our r-SNM System employs constant current, which adapts to the body's physiological changes, which we expect will provide a more consistent and

reliable therapy over time and reduce patient and physician management of the therapy. Further, our r-SNM System is differentiated by significant wireless charging benefits and an easy-to-use patient remote control. Finally, we designed and custom built a touchscreen clinician programmer that guides the implanting physician through electrode placement and stimulation programming. Our clinician programmer allows physicians to connect to a patient's IPG, while the patient is in the physician's care, to access key therapy data that is stored and maintained on the IPG. As an example of the benefits of our r-SNM System, a recent survey of healthcare professionals in the United States and Europe indicated that 100% of those who responded to this question would "definitely" or "most likely" offer our r-SNM System to their patients, citing the small IPG size, long battery life, rechargeability, ease of use, and current-control as the primary reasons.

- ***Strong clinical data***. We are continuing to develop a growing body of compelling clinical evidence that demonstrates the safety and effectiveness of our r-SNM System. In our clinical work to date, we have implanted 180 patients in the United States and Europe. Our ARTISAN-SNM pivotal study is evaluating 129 patients with UUI. In the partial three-month results, therapy response rate was 96% for test responders and 87% for all patients. We expect that six- and 12-month results will be available in the first quarter of 2019 and the third quarter of 2019, respectively. Our European study, RELAX-OAB, evaluated 51 patients that suffered from UUF and UUI. At three months, results for 48 patients who continued with study follow-up showed a therapeutic response rate of 91% for test responders and 71% for all implanted patients. The therapeutic response rate was sustained at 12 months for the 43 patients who continued with study follow-up, at 94% for test responders and 72% for all implanted patients. We intend to follow patients for at least out to two years for both of our clinical studies. We believe clinical data is important and will be key to driving broad-based adoption of our r-SNM System.

- ***A deep understanding of our target market with a sole focus on SNM***. We formed our company by assembling an experienced team with significant in-depth knowledge of our target market. From the outset, we spent significant time understanding the unmet needs of patients and physicians through patient field studies and early engagement of physicians and key opinion leaders. By utilizing this market knowledge and focusing solely on SNM, we have been able to navigate the development and regulatory requirements for our r-SNM System in an efficient manner. Since we commenced operations in late 2013, we have received marketing approval in Europe, Canada, and Australia for OAB, FI, and UR, and completed the enrollment and implantation of patients in our ARTISAN-SNM pivotal study. This pure-play SNM focus also allows us to efficiently manage our research and development activities to further innovate and enhance our r-SNM System.

- ***Comprehensive and broad intellectual property portfolio***. Our r-SNM System is supported by a nucleus of issued patents and patent applications that we license from AMF pursuant to the License Agreement. In addition to that nucleus, we have created a substantial portfolio of wholly owned intellectual property, which includes patents, know-how and trade secrets that are embodied by our r-SNM System. As of September 30, 2018, we owned 17 issued U.S. patents and 20 issued foreign patents, and 17 pending U.S. patent applications and 59 pending foreign patent applications, and we licensed from AMF 30 issued U.S. patents and 38 issued foreign patents, and four pending U.S. patent applications and 28 pending foreign patent applications.

- ***Experienced management team***. Our senior management team has over 140 years of combined experience in the medical technology industry. They have a track record of successfully bringing products to market, with significant expertise in development, regulatory approval and commercialization activities.

Our Strategy

Our goal is to become a global leader in providing an effective and long-term solution to patients with OAB and FI. To achieve this goal, we are pursuing the following strategies:

- Obtain FDA approval of our r-SNM System;
- Continue to promote awareness of our r-SNM System among healthcare providers;
- Build a commercialization infrastructure with a specialized direct sales and marketing team;
- Continuously innovate to introduce enhanced SNM product offerings and pursue expanded indications; and
- Further penetrate the addressable market by promoting patient and practice awareness.

Our Market

We believe our addressable market consists of approximately four million adults in the United States and Europe who suffer from symptoms of either OAB or FI and who are readily treatable with, and eligible candidates for, SNM therapy. Specifically, we believe this four million adult market consists of approximately three million adults with symptoms of OAB and approximately one million adults with FI within these regions. While we anticipate expanding into other geographic regions over time, such as Canada and Australia, we will initially focus on the United States and Europe due to larger overall market size and greater prevalence of OAB and FI.

The market for SNM therapy is large and growing. We believe that the global SNM market was approximately $605 million in 2017, which we believe is comprised of sales of SNM systems for the treatment of UUI, UUF, FI, and UR, and is growing at an approximate rate of 8% year-over-year. We believe this represents approximately 41,000 patient implants, including 11,000 patients undergoing replacement implants, with nearly 90% of sales in this market being generated in the United States and approximately 85% of sales revenue coming from new implant volume. Further, we estimate that the global annual addressable SNM market is presently approximately one percent penetrated. We estimate the global addressable SNM market will continue to increase for the foreseeable future driven by increased awareness and education of SNM as a therapy alternative, greater expectations for quality of life, and improved patient attitudes toward receiving medical attention. In addition, market growth could accelerate due to more than one medical device company being focused on this market, new innovation for SNM therapy, and other potential products being introduced to physicians and patients. We believe that this represents a compelling opportunity for our r-SNM System to capture market share and further penetrate and grow the existing U.S. market. We have regulatory approvals in Europe, Canada, and Australia for OAB, FI, and UR. We initially intend to pursue regulatory approval in the United States for UUI, a predominant OAB subtype, and we intend to seek regulatory approval for other indications in the United States in the future.

Risks Associated with Our Business

Our business is subject to numerous risks and uncertainties, including those highlighted in the section entitled “Risk Factors” immediately following this prospectus summary. These risks include, among others, the following:

- We currently depend entirely on the successful and timely regulatory approval from the FDA and commercialization of our r-SNM System, our only product. Our r-SNM System may not receive

FDA regulatory approval or we may be significantly delayed in receiving regulatory approval. Even if we receive regulatory approval, we may not be able to successfully commercialize our r-SNM System.

- The clinical study process required to obtain regulatory approvals is lengthy and expensive with uncertain outcomes. If clinical studies of our r-SNM System do not produce results necessary to support regulatory clearance or approval in the United States or elsewhere, we will be unable to gain regulatory approval for, expand the indications for or commercialize our r-SNM System and may incur additional costs or experience delays in completing, or ultimately be unable to complete, the commercialization of our r-SNM System.

- We have derived minimal revenue from our operations and incurred significant operating losses since inception, we expect to incur operating losses in the future and we may not be able to achieve or sustain profitability.

- Our r-SNM System is currently our sole product and we are completely dependent on the success of our r-SNM System. We have limited experience marketing and selling our r-SNM System, and if we are unable to establish, manage, and maintain sales and marketing capabilities, we will be unable to successfully commercialize our r-SNM System or generate product revenue.

- We are reliant on a single product and if we are not successful in commercializing our r-SNM System our business will not succeed.

- We will require substantial additional capital to finance our planned operations, which may not be available to us on acceptable terms or at all. As a result, we may not be able to implement our planned sales and marketing program to increase the adoption of our r-SNM System.

- We rely on the License Agreement to provide us with rights to use the AMF IP to develop and commercialize the AMF Licensed Products, which are used in our r-SNM System. Any termination or loss of significant rights under the License Agreement would materially and adversely affect our development and commercialization of our r-SNM System.

- We will need to increase the size of our organization and we may be unable to manage our growth effectively.

- We intend to compete against InterStim II and any future commercially available implantable SNM devices by offering material advantages over existing technology. Such advantages may not be readily adopted by the market and we may need to compete based on price or other factors, at which we may be unsuccessful.

- We rely on third parties for the manufacture of our r-SNM System. This reliance on third parties increases the risk that we will not have sufficient quantities of our r-SNM System or such quantities at an acceptable cost, and reduces our control over the manufacturing process, which could delay, prevent or impair our development or commercialization efforts.

- Our r-SNM System and operations are subject to extensive government regulation and oversight both in the United States and internationally, and our failure to comply with applicable requirements could harm our business.

- If we are unable to achieve and maintain adequate levels of coverage or reimbursement for our r-SNM System, our commercial success may be severely hindered, and in the event insurers require

a prior authorization process, such process may not result in positive coverage determination for these patients.

- Any side effects, manufacturing defects, misuse or abuse associated with our r-SNM System could result in patient injury or death.
- The size and future growth in the market for SNM therapy has not been established with precision and may be smaller than we estimate, possibly materially. If our estimates and projections overestimate the size of this market, our sales growth may be adversely affected.
- If we or any of our current or future licensors, including AMF, are unable to maintain, obtain or adequately protect our intellectual property rights, we may not be able to compete effectively in our market or we could be required to incur significant expenses to enforce or defend our rights or attempt to do the same.

Preliminary Financial Results for the Three Months Ended September 30, 2018

We are currently finalizing our financial results for the three months ended September 30, 2018. While complete financial information and operating data are not yet available, set forth below are certain preliminary estimates of the results of operations that we expect to report for our third quarter of 2018. Our actual results may differ materially from these estimates due to the completion of our financial closing procedures, final adjustments and other developments that may arise between the date of this prospectus and the time the financial results for our third quarter of 2018 are finalized. All percentage comparisons to the prior year are measured to the midpoint of the range provided below for 2018.

For the three months ended September 30, 2018:

- Loss from operations is expected to be between $ million and $ million, a % increase from $ million in the corresponding prior year period. The estimated increase in loss from operations is due primarily to the increase .
- Net loss is expected to be between $ million and $ million, a % increase from $ million in the corresponding prior year period. The estimated increase in net loss is due primarily to the factors described above as well as .

As of September 30, 2018, our cash, cash equivalents and short-term investments is expected to be approximately $ million and the principal and interest outstanding under our Loan Agreement, which is defined below, is expected to be approximately $ million.

The estimates above represent the most current information available to management and do not present all necessary information for an understanding of our financial condition as of, and our results of operations for, the three months ended September 30, 2018. We have provided a range for the preliminary results described above primarily because our financial closing procedures for the three months ended September 30, 2018 are not yet complete. As a result, our final results may vary from these preliminary estimates. We currently expect that our final results will be within the ranges described above. It is possible, however, that our final results will not be within these ranges. These estimates are not necessarily indicative of any future period and should be read together with “Risk Factors,” “Special Note Regarding Forward-Looking Statements,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Selected Historical Financial Data” and our consolidated financial statements and related notes included elsewhere in this prospectus.

The preliminary financial data included in this prospectus has been prepared by, and is the responsibility of, our management and has not been reviewed or audited by our independent registered public accounting firm. Accordingly, our independent registered public accounting firm does not express an opinion or any other form of assurance with respect to this preliminary data.

Our consolidated financial statements as of and for the three months ended September 30, 2018 will not be available until after this offering is completed.

Implications of Being an Emerging Growth Company

We qualify as an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. For as long as we remain an emerging growth company, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies. These provisions include, but are not limited to:

- being permitted to have only two years of audited financial statements and only two years of related selected financial data and management's discussion and analysis of financial condition and results of operations disclosure;
- an exemption from compliance with the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002, as amended, or the Sarbanes-Oxley Act;
- reduced disclosure about executive compensation arrangements in our periodic reports, registration statements and proxy statements; and
- exemptions from the requirements to seek non-binding advisory votes on executive compensation or golden parachute arrangements.

In addition, the JOBS Act permits emerging growth companies to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to take advantage of this transition period. We will remain an emerging growth company until the earliest of (i) the end of the fiscal year following the fifth anniversary of the completion of this offering, (ii) the first fiscal year after our annual gross revenues exceed $1.07 billion, (iii) the date on which we have, during the immediately preceding three-year period, issued more than $1.0 billion in non-convertible debt securities, or (iv) the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeds $700 million as of the end of the second quarter of that fiscal year.

Corporate Information

We were incorporated in the State of Delaware in March 2012 under the name "American Restorative Medicine, Inc." In August 2013, we changed our name to Axonics Modulation Technologies, Inc. and commenced our operations in late 2013 when we entered into the License Agreement. Our principal executive offices are located at 26 Technology Drive, Irvine, California 92618 and our telephone number is (949) 396-6322. Our website is www.axonicsmodulation.com. The information contained on or that can be accessed through our website is not incorporated by reference into this prospectus, and you should not consider any information contained on, or that can be accessed through, our website as part of this prospectus or in deciding whether to purchase our common stock.

THE OFFERING

Common stock offered by us	shares.
Common stock to be outstanding after this offering	shares (or shares if the underwriters exercise their option to purchase additional shares in full).
Option to purchase additional shares	We have granted the underwriters a 30-day option to purchase up to additional shares of our common stock at the public offering price less the estimated underwriting discounts and commissions.
Use of proceeds	We estimate that the net proceeds to us from this offering will be approximately $ million (or approximately $ million if the underwriters exercise their option to purchase additional shares in full), based on an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering to hire a specialty sales force of approximately 60 sales representatives, which we will initially endeavor to hire in anticipation of our potentially receiving FDA approval to support the commercial launch of our r-SNM System in the United States, to fund the technological enhancement of our r-SNM System, to conduct SNM-related research and development activities, and for working capital and general corporate purposes. See “Use of Proceeds” for more information.
Risk factors	Investing in our common stock involves a high degree of risk. See “Risk Factors” beginning on page 16 and the other information included in this prospectus for a discussion of factors you should consider carefully before deciding to invest in our common stock.
Reserved share program	At our request, the underwriters have reserved for sale, at the initial public offering price, up to % of the shares offered by this prospectus for sale to certain of our directors, officers, employees, business associates and related persons through a reserved share program. If these persons purchase reserved shares, this will reduce the number of shares available for sale to the general public. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus.
Proposed Nasdaq Global Market symbol	“AXNX.”

The number of shares of our common stock to be outstanding after this offering is based on 15,531,621 shares of common stock outstanding as of June 30, 2018, after giving effect to the conversion of all of our outstanding shares of preferred stock, and excludes as of that date:

- 1,187,229 shares of our common stock issuable upon the exercise of outstanding stock options under our 2014 Stock Incentive Plan, as amended, or the 2014 Plan, at a weighted-average exercise price of $1.61 per share;
- 32,142 shares of our common stock reserved for future issuance under the 2014 Plan;
- shares of our common stock reserved for future issuance under our 2018 Omnibus Incentive Plan, or the 2018 Plan, which we intend to adopt, and ask our stockholders to approve, prior to the completion of this offering;
- 33,334 shares of our common stock issuable upon the exercise of outstanding warrants to purchase shares of our Series C preferred stock, which will convert into warrants to purchase 33,334 shares of our common stock in connection with the completion of this offering, at an exercise price of $9.00 per share; and
- up to 33,332 shares of our common stock issuable upon exercise of warrants to purchase shares of our Series C preferred stock, which will convert into warrants to purchase up to 33,332 shares of our common stock in connection with the completion of this offering, at an exercise price of $9.00 per share, that we will be required to issue in the event we borrow an additional $10.0 million under the Loan Agreement, which is defined below, with Silicon Valley Bank.

Unless otherwise indicated, all information contained in this prospectus assumes:

- no exercise by the underwriters of their option to purchase up to an additional shares of our common stock;
- no exercise of the outstanding stock options and warrants described above;
- a -for- stock split of our common stock to be effected before the completion of this offering;
- the automatic exchange of an aggregate of 27,229,768 ordinary shares of Axonics Europe, S.A.S., or Axonics Europe, into 310,500 shares of our Series A preferred stock, 604,560 shares of our Series B-1 preferred stock, 323,437 shares of our Series B-2 preferred stock, and 1,990,676 shares of our Series C preferred stock, which we refer to collectively as the exchanged preferred stock, immediately prior to the completion of this offering as more specifically detailed under “Certain Relationships and Related Party Transactions—Share Exchange Agreement”;
- the automatic conversion of the warrants described above into warrants to purchase shares of our common stock upon the completion of this offering, the result of which will have no impact on our consolidated financial statements;
- the automatic conversion of all outstanding shares of our preferred stock, including all of the shares of the exchanged preferred stock, into 13,177,211 shares of our common stock upon the completion of this offering; and

- the filing of our amended and restated certificate of incorporation, or our certificate of incorporation, and the adoption of our amended and restated bylaws, or our bylaws, immediately prior to the completion of this offering.

Certain of our existing stockholders that are affiliated with certain of our directors have indicated an interest in purchasing an aggregate of up to approximately $ million in shares of our common stock in this offering at the initial public offering price. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters may determine to sell more, fewer or no shares in this offering to any or all of these stockholders, or any or all of these stockholders may determine to purchase more, fewer or no shares in this offering. The underwriters will receive the same underwriting discount on any shares purchased by these stockholders as they will on any other shares sold to the public in this offering.

SUMMARY FINANCIAL DATA

The following tables set forth, for the periods and as of the dates indicated, our summary financial data. Our consolidated statements of comprehensive loss for the years ended December 31, 2016 and 2017 are derived from our audited consolidated financial statements and related notes included elsewhere in this prospectus. We derived the summary consolidated statements of comprehensive loss for the six months ended June 30, 2017 and 2018, and the summary consolidated balance sheets data as of June 30, 2018, from our unaudited interim consolidated financial statements and related notes that are included elsewhere in this prospectus. We have prepared the unaudited information on the same basis as the audited consolidated financial statements and have included all adjustments, consisting only of normal recurring adjustments, that we consider necessary for a fair statement of our financial position and operating results for such period. Our historical results are not necessarily indicative of the results that may be expected or may actually occur in the future, and our interim results are not necessarily indicative of the expected results for future interim periods or the full year. You should read the following information together with the more detailed information contained in "Selected Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our consolidated financial statements and the related notes included elsewhere in this prospectus.

The following table is presented in thousands, except for share and per share data:

	Year Ended December 31,		Six Months Ended June 30,	
	2016	2017	2017	2018
			(unaudited)	
Statements of Comprehensive Loss:				
Net revenue	$ —	$ 128	$ —	$ 12
Cost of goods sold	—	118	—	5
Gross profit	—	10	—	7
Operating expenses				
Research and development	$ 12,510	$ 12,332	$ 5,827	$ 10,721
General and administrative	4,457	4,823	2,417	3,071
Sales and marketing	517	1,029	399	1,359
Total operating expenses	17,484	18,184	8,643	15,151
Loss from operations	(17,484)	(18,174)	(8,643)	(15,144)
Other income (expense), net	83	113	36	(108)
Net loss	$ (17,401)	$ (18,061)	$ (8,607)	$ (15,252)
Foreign currency translation adjustment	—	588	69	(3)
Comprehensive loss	$ (17,401)	$ (17,473)	$ (8,538)	$ (15,255)
Net loss per share, basic and diluted[1]	$ (9.03)	$ (8.45)	$ (4.32)	$ (6.51)
Weighted-average shares used to compute basic and diluted net loss per share[1]	1,927,936	2,137,463	1,990,885	2,342,643
Pro forma net loss per share, basic and diluted[1][2][3] (unaudited)		$ (1.18)		$ (0.98)
Pro forma weighted-average shares used to compute basic and diluted net loss per share[1][2][3] (unaudited)		15,314,674		15,519,854

(1) See Note 1 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate the net loss per share and the number of shares used in the computation of the per share amounts.

(2) The pro forma net loss per share of common stock, basic and diluted, for the year ended December 31, 2017 and the six months ended June 30, 2018 reflects: (i) the automatic exchange of the exchanged preferred stock immediately prior to the completion of this offering, (ii) the automatic conversion of all outstanding shares of our preferred stock, including the exchanged preferred stock, into 13,177,211 shares of our common stock upon completion of this offering, and (iii) the filing and effectiveness of our certificate of incorporation, which will occur immediately prior to the completion of this offering.

(3) The pro forma net loss per share of common stock, basic and diluted, does not give effect to the issuance of shares of our common stock in this offering nor do they give effect to potential dilutive securities where the impact would be anti-dilutive.

The following table is presented in thousands:

	As of June 30, 2018		
	Actual (unaudited, restated)	Pro Forma(2) (unaudited)	Pro Forma as Adjusted(3)(4) (unaudited)
Balance Sheets Data(1):			
Cash, cash equivalents and short-term investments	$ 39,881	$	$
Property and equipment, net	1,459		
Intangible asset, net	483		
Total assets	45,800		
Total liabilities	14,024		
Convertible preferred stock	82,126		
Noncontrolling interest in Axonics Europe S.A.S.	31,066		
Stock subscription receivable(5)	(1,824)		
Accumulated deficit	(82,418)		
Total stockholders' deficit	(81,418)		

(1) See Note 10 to our consolidated financial statements appearing elsewhere in this prospectus for more information on the restatements of certain of our consolidated financial statements, including our consolidated balance sheets.

(2) Gives effect to: (i) the automatic exchange of the exchanged preferred stock immediately prior to the completion of this offering, (ii) the automatic conversion of all outstanding shares of our preferred stock, including the exchanged preferred stock, into 13,177,211 shares of our common stock upon completion of this offering, and (iii) the filing and effectiveness of our certificate of incorporation, which will occur immediately prior to the completion of this offering.

(3) Reflects, in addition to the pro forma adjustment set forth in footnote 2, the sale of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(4) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro

forma as adjusted amount of each of cash, cash equivalents and short-term investments, total assets and total stockholders' deficit by approximately $, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1.0 million shares in the number of shares offered by us at the assumed initial public offering price, as set forth on the cover page of this prospectus, would increase (decrease) each of cash, cash equivalents and short-term investments, total assets and total stockholders' deficit by approximately $, assuming the shares of our common stock offered by this prospectus are sold at the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma information discussed above is illustrative only and will be adjusted based on the actual initial public offering price, the number of shares we sell, and other terms of this offering that will be determined at pricing.

(5) Includes outstanding secured full recourse promissory notes, or promissory notes, as of June 30, 2018, with an aggregate principal balance of $1,782,268.70, that were issued to us by certain of our executive officers and directors in exchange for the exercise of an aggregate of 1,377,656 shares of common stock pursuant to stock option awards. We have entered into debt forgiveness and cancellation of note agreements with certain of our executive officers and directors, including each of our named executive officers, to terminate each of their respective promissory notes and to forgive all respective obligations for payment thereof in connection with this offering. See "Certain Relationships and Related Party Transactions—Loans to Officers and Directors."

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the following information about these risks, together with the other information appearing elsewhere in this prospectus, including our consolidated financial statements, the notes thereto and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," before deciding to invest in our common stock. The occurrence of any of the following risks could have a material and adverse effect on our business, reputation, financial condition, results of operations and future growth prospects, as well as our ability to accomplish our strategic objectives. As a result, the trading price of our common stock could decline and you could lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations and stock price.

Risks Related to Our Business and Strategy

We currently depend entirely on the successful and timely regulatory approval from the FDA and commercialization of our r-SNM System, our only product. Our r-SNM System may not receive FDA regulatory approval or we may be significantly delayed in receiving regulatory approval. Even if we receive regulatory approval, we may not be able to successfully commercialize our r-SNM System.

We currently have only one product, our r-SNM System, and our business presently depends entirely on our ability to obtain regulatory approval from the FDA for our r-SNM System and to successfully commercialize it in a timely manner. We have no other products currently approved for sale and we may never be able to develop marketable products or enhancements to our r-SNM System. We are not permitted to market our r-SNM System in the United States until we receive approval from the FDA. We do not know if or when we will receive such approval or whether we will need to make modifications to our r-SNM System, generate additional data to submit to the FDA, or incur significant additional expenditures to obtain any such approval.

Our near-term prospects, including our ability to finance our company and generate revenue, as well as our future growth, depend entirely on the successful and timely regulatory approval from the FDA and commercialization of our r-SNM System. The regulatory and commercial success of our r-SNM System will depend on a number of factors, including the following:

- whether we are required by the FDA or other similar regulatory authorities to conduct additional clinical studies or to modify the design of our current studies to support the approval of our r-SNM System;
- our success in educating physicians and patients about the benefits, administration and use of our r-SNM System;
- the timely receipt of necessary marketing approvals from the FDA and other similar regulatory authorities;
- achieving and maintaining compliance with all regulatory requirements applicable to our r-SNM System;
- the ability to raise additional capital on acceptable terms, or at all, if needed, to support the commercial launch of our r-SNM System;
- the acceptance by physicians and patients of the safety and effectiveness of our r-SNM System;
- our ability to successfully commercialize our r-SNM System;
- our ability to hire a sufficient number of talented sales representatives to sell our r-SNM System;

- the ability of our current manufacturers and any third parties with whom we may contract to manufacture our r-SNM System to remain in good standing with regulatory agencies and develop, validate and maintain commercially viable manufacturing processes that are compliant with applicable requirements; and

- the availability, perceived advantages, relative cost, relative safety and relative efficacy of competing products, such as InterStim II, or competing third-line therapies, such as BOTOX injections and PTNS.

For example, as part of the IDE approval process for our ARTISAN-SNM pivotal study, the FDA recommended that we should make several modifications to the study design in order for the study to serve as the primary clinical support for a future marketing approval. Specifically, despite our responses and supporting documentation that we submitted in support of our study design, the FDA reiterated its previously expressed recommendations that we make the following modifications to our ARTISAN-SNM pivotal study:

- exclude patients with mixed urinary incontinence, or MUI, which means a patient has both stress urinary incontinence and UUI;

- use either a seven-day bladder diary or two separate three-day bladder diaries;

- use a 12-month primary effectiveness endpoint in order to account for the placebo effect and enable assessment of durability of the treatment effect;

- use all patients in whom an implant is attempted, not initial responders after one month, for primary efficacy analysis;

- use multiple imputation to account for missing primary endpoint data;

- revise the protocol to include details on statistical analysis methods for analyzing the primary and secondary endpoints, analysis population, method for handling missing endpoint data and sensitivities and poolability analyses;

- use a two-sided 95% confidence interval; and

- provide further justification for restarting with a new activation date after a lead issue.

In response, we have engaged with the FDA regarding its recommendation, including our latest IDE supplement, which we submitted to the FDA in September 2018 to address certain of its recommendations. As a result, we incorporated a number of recommended study modifications. However, to date we elected not to incorporate several of the recommended modifications based on what we believe are currently accepted urology practice guidelines and the design of previous OAB clinical studies accepted by the FDA. We believe certain of these modifications would have resulted in a study design that increased study site and patient burdens, decreased the feasibility of enrollment or were not clearly supported by available peer-reviewed literature or currently accepted urology practice guidelines. At this point in the study, some of the FDA's recommendations cannot be implemented. For example, we cannot exclude patients with MUI and we cannot change the three-day bladder diaries taken at baseline to seven-day bladder diaries. We are still waiting for a response from the FDA as to whether the study modifications we implemented appropriately address their recommendations with respect to the elements covered by that supplement. See "Business—Our Clinical Results and Studies—ARTISAN-SNM Pivotal Study" for more information.

Although we have not modified the ARTISAN-SNM pivotal study design to address all of the above considerations that the FDA has reiterated, based on the preliminary study results to date, and assuming

sufficiently strong results at six months and beyond, we believe we will be able to provide the FDA with reasonable assurance of the safety and effectiveness of our r-SNM system to support its marketing approval. However, it is possible that the results will not be sufficiently strong or that, in part due to its concerns with our study design, the FDA will not accept the data as reasonable assurance of safety and effectiveness, which would materially and adversely affect our ability to obtain marketing approval of our r-SNM System. If we intend to modify the study design to address any of the above FDA considerations that we have not already addressed, we will be required to obtain FDA approval of an IDE supplement before implementing the changes, which could result in significant delays. The approval requirements for an IDE supplement are generally the same as an original IDE, and they are approved if the FDA does not object within 30 days. We would also be required to get institutional review board, or IRB, approval of the protocol changes if the changes involve the rights, safety, or welfare of the patients, and some investigators may determine that local rules require additional approvals from a local IRB.

The FDA stated its belief that additional modifications were needed for our study design to support marketing approval, and recommended, but did not require, that we modify our study to address the issues described above. Incorporating such modifications may be costly or not possible at this point in the ongoing clinical study or lead to delays in obtaining approval from the FDA, which may be significant and adversely and materially affect our ability to successfully commercialize our r-SNM System. Further, even if we make changes to the study design to address these considerations, the FDA may not approve our r-SNM System.

In addition to our anticipated submission of a PMA based on data from the IDE process, on January 9, 2018, we also submitted to the FDA a premarket approval application, which we refer to as the "literature-based PMA," in which equivalence to an already FDA approved product is claimed based on the review of technical specifications, published clinical studies, and other information. In our filing, we are claiming equivalence to the only FDA approved SNM device, InterStim II. On May 9, 2018, the FDA responded and requested that we submit additional information to demonstrate that our r-SNM device is sufficiently similar to the InterStim II device referenced in the literature to be able to determine safety and effectiveness from the literature. The FDA's response also asked us to address a number of other matters, including those related to the electrical safety, electromagnetic compatibility and wireless technology, biocompatibility, and our pre-clinical studies. We have not yet responded to the FDA. We have until November 5, 2018 to provide a substantive response, voluntarily withdraw this literature-based PMA, request an extension, which would extend our response period by up to 180 days, or to proceed with FDA completing its review of the submission without additional information from us. We are currently evaluating our options with respect to this application, including the merits of pursuing it.

If we do not successfully address the FDA's suggested considerations or other questions that arise during the FDA review process (including those that arose during the literature-based PMA process) and obtain FDA approval, and for some changes, obtain IRB approval, in a timely manner or at all, we could experience significant delays in obtaining marketing approval from the FDA for our r-SNM System or not obtain approval at all. Even if FDA regulatory approval is obtained, we may never be able to successfully commercialize our r-SNM System.

We have derived minimal revenue from our operations and incurred significant operating losses since inception, we expect to incur operating losses in the future and we may not be able to achieve or sustain profitability.

We are a medical technology company with a limited operating history. To date, we have invested substantially all of our efforts in the research and development of, seeking regulatory approval for, and commercial planning for our r-SNM System. We are not profitable and have incurred losses each year since we began our operations in 2013. We have a limited operating history upon which to evaluate our business and prospects. Consequently, any predictions about our future success, performance or viability may not be as accurate as they could be if we had a longer operating history or an approved product on the market in the United States. To date, we have not obtained regulatory approval for our r-SNM System in the United States or generated meaningful revenue from sales of our r-SNM System outside the United States.

We have not derived meaningful revenue from our operations, as our activities have consisted primarily of developing our technology and conducting clinical studies. As a result, for the years ended December 31, 2016 and 2017, we recorded net losses of $17.4 million and $18.1 million, respectively, and for the six months ended June 30, 2017 and 2018, we recorded net losses of $8.6 million and $15.3 million, respectively. As of June 30, 2018, we had an accumulated deficit of $82.4 million. To date, we have financed our operations primarily through preferred stock financings and amounts borrowed under the Loan Agreement. We have devoted substantially all of our financial resources to research and development activities as well as general and administrative expenses associated with our operations, including clinical and regulatory initiatives to obtain marketing approval.

Following this offering, we expect that our operating expenses will continue to increase as we (i) build our commercial infrastructure, (ii) develop, enhance, seek FDA regulatory approval for, and begin to commercialize, if approved, our r-SNM System in the United States, (iii) increase our commercialization efforts internationally, and (iv) incur additional operational costs associated with being a public company. For example, we intend to hire approximately 60 sales representatives, which we will initially endeavor to hire in anticipation of our potentially receiving FDA approval to support the commercial launch of our r-SNM System in the United States and expect to grow our sales force over time and the number of our sales representatives at commercial launch will vary and may be higher depending on the duration of the PMA review process. If we are delayed in obtaining approval of our r-SNM System by the FDA, we may be required to offer increased compensation to our U.S. sales team in order to retain them, which would further increase our operational costs. As a result, we expect to continue to incur operating losses for the foreseeable future. Our expected future operating losses, combined with our prior operating losses, may adversely affect the market price of our common stock and our ability to raise capital and continue operations.

If approved by the FDA, we expect that sales of our r-SNM System will account for the substantial majority of our future revenue. If our r-SNM System does not achieve an adequate level of acceptance by physicians, health care payors, and patients and does not receive adequate reimbursement from third party payors, we may not generate sufficient revenue and we may not be able to achieve profitability. Even if we do achieve profitability, we may not be able to sustain or increase profitability in subsequent periods or on an ongoing basis. If we do not achieve or sustain profitability, it will be more difficult for us to finance our business and accomplish our strategic objectives, either of which would have a material and adverse effect on our business, financial condition and results of operations and cause the market price of our common stock to decline.

Our r-SNM System is currently our sole product, and we are completely dependent on the success of our r-SNM System. We have limited experience marketing and selling our r-SNM System, and if we are unable to establish, manage, and maintain sales and marketing capabilities, we will be unable to successfully commercialize our r-SNM System or generate product revenue.

Our r-SNM System is currently our sole product, and we are completely dependent on its success. Successfully commercializing medical devices such as ours is a complex and uncertain process. Our commercialization efforts will depend on the efforts of our management and sales team, our third-party manufacturers and suppliers, physicians and hospitals, and general economic conditions, among other factors, including the following:

- our ability to successfully complete our ARTISAN-SNM pivotal study and to obtain regulatory approval in the United States for our r-SNM System for the treatment of UUI;
- the effectiveness of our marketing and sales efforts in the United States and internationally;
- our third-party manufacturers’ and suppliers’ ability to manufacture and supply the components of our r-SNM System in a timely manner and in accordance with our specifications;

- the availability, perceived advantages, relative cost, relative safety, and relative efficacy of alternative and competing therapies;
- our ability to obtain, maintain, and enforce our intellectual property rights in and to our r-SNM System;
- the emergence of competing technologies and other adverse market developments, and our need to enhance our r-SNM System and/or develop new products to maintain market share in response to such competing technologies or market developments;
- our ability to achieve and maintain compliance with all regulatory requirements applicable to our r-SNM System; and
- our ability to successfully conduct additional clinical studies as may be required by the FDA or comparable non-U.S. regulatory authorities to enable our r-SNM System to be approved for additional indications.

We currently have a limited sales and marketing organization outside the United States and we do not have a sales or marketing organization in the United States. We began marketing and selling our r-SNM System in certain limited European markets in 2018. As a result, we have limited experience marketing and selling our r-SNM System. We currently sell our r-SNM System through a limited direct sales force in Europe, that targets physicians and hospitals. As of September 30, 2018, our limited direct sales organization in Europe consisted of four employees.

In order to generate future revenue growth, we plan to expand the size and geographic scope of our sales and marketing organization. Our future success will depend largely on our ability to hire, train, retain and motivate skilled sales, marketing and reimbursement personnel with significant industry experience and technical knowledge of implantable devices and related products. Because the competition for their services is high, we may not be able to hire and retain additional personnel on favorable or commercially reasonable terms, if at all. If we are delayed in obtaining approval of our r-SNM System by the FDA, we may be required to offer increased compensation to our U.S. sales team in order to retain them. However, even if we do that, we may lose members of our sales team who do want or are not able to wait until we obtain approval from the FDA without actively selling our product or earning less than they would otherwise if our product were approved in the United States. Our failure to hire or retain qualified sales, marketing and reimbursement personnel would prevent us from expanding our business and generating revenue.

Once hired, the training process for sales representatives can be lengthy because it requires significant education for new sales representatives to achieve the level of clinical competency with our product expected by physicians. Upon completion of the training, we expect that the sales representatives would require lead time in the field to grow their network of accounts and achieve the productivity levels we expect them to reach in any individual territory. Furthermore, the use of our product will often require or benefit from direct support from us. If we are unable to attract, motivate, develop and retain a sufficient number of qualified sales personnel, and if our sales representatives do not achieve the productivity levels we expect them to reach, our revenue will not grow at the rate we expect and our financial performance will suffer. Also, to the extent we hire personnel from our competitor, we may have to wait until applicable non-competition provisions have expired before deploying such personnel in restricted territories or incur costs to relocate personnel outside of such territories. This may subject us to allegations that these new hires have been improperly solicited, or that they have divulged to us proprietary or other confidential information of their former employers. Addressing such allegations would be costly both in terms of time and resources. Any of these risks may adversely affect our business.

If we are not successful in recruiting sales, marketing and reimbursement personnel or building a sales and marketing infrastructure, we will have difficulty successfully commercializing our r-SNM System, which

would adversely affect our business, operating results and financial condition. If we are not successful in commercializing our r-SNM System, our future product revenue will suffer and we would likely incur significant additional losses. Any factors that adversely impact the commercialization of our r-SNM System will have a negative impact on our business, results of operations and financial condition.

We will require substantial additional capital to finance our planned operations, which may not be available to us on acceptable terms or at all. As a result, we may not be able to implement our planned sales and marketing program to increase the adoption of our r-SNM System.

Our operations have consumed substantial amounts of cash since inception, primarily due to our research and development activities and conducting clinical studies for our r-SNM System. We expect these activities and the associated expenses to continue following this offering. We also expect our expenses to increase substantially in connection with our plan to commercialize our r-SNM System in the United States and internationally. Additional expenditures will also include costs associated with manufacturing and supply, sales and marketing costs, costs and expenses incidental to being a public company, and general operations. In addition, other unanticipated costs may arise.

As of June 30, 2018, we had cash, cash equivalents and short-term investments of $39.9 million. We believe that the net proceeds from this offering, together with our existing cash, cash equivalents and short-term investments, will fund our projected operating expenses and capital expenditure requirements for at least the next 12 months.

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

- our ability to successfully complete our ARTISAN-SNM pivotal study and to obtain regulatory approval in the United States for our r-SNM System for the treatment of UUI and the associated costs;
- the costs associated with manufacturing, selling, and marketing our r-SNM System for the treatment of UUI in the United States, if approved by the FDA, and for other indications for which we receive regulatory clearance or approval, including the cost and timing of implementing our sales and marketing plan and expanding our manufacturing capabilities;
- our ability to effectively market and sell, and achieve sufficient market acceptance and market share for, our r-SNM System;
- the costs to establish, maintain, expand, and defend the scope of our intellectual property portfolio, as well as any other action required in connection with licensing, preparing, filing, prosecuting, defending, and enforcing any patents or other intellectual property rights;
- the emergence of competing technologies and other adverse market developments, and our need to enhance our r-SNM System and/or develop new products to maintain market share in response to such competing technologies or market developments;
- our ability to establish and maintain strategic licensing or other arrangements and the financial terms of such agreements;
- the time and cost necessary to complete post-market studies that could be required by regulatory authorities or other studies required to obtain clearance for additional indications;
- the timing, receipt, and amount of license fees and sales of, or royalties on, or future improvements on our r-SNM System, if any; and

- our need to implement additional internal systems and infrastructure, including financial and reporting systems, incidental to being a public company.

While we currently have in place a Loan Agreement with Silicon Valley Bank pursuant to which we may request up to an additional $10.0 million, as described in more detail below, we may need to raise additional capital or alternatively we may seek to raise only equity capital. If we raise additional capital through public or private equity offerings, the ownership interest of our existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt or liens, making capital expenditures or declaring dividends. If we raise additional capital through marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish certain valuable rights to our r-SNM System, technologies, future revenue streams or research programs, or grant licenses on terms that may not be favorable to us. If we are unable to obtain adequate financing when needed and on terms that are acceptable to us, we may have to delay, reduce the scope of or suspend the implementation of our sales and marketing plan and our ongoing research and development efforts, which would have a material adverse effect on our business, financial condition, and results of operations.

We rely on the License Agreement to provide us with rights to use the AMF IP to develop and commercialize the AMF Licensed Products, which are used in our r-SNM System. Any termination or loss of significant rights under the License Agreement would materially and adversely affect our development and commercialization of our r-SNM System.

On October 1, 2013, we entered into the License Agreement pursuant to which AMF agreed to license to us the AMF IP to develop and commercialize the AMF Licensed Products. Any and all improvements to the AMF IP made by us will be owned by AMF and licensed to us under the License Agreement for purposes of making AMF Licensed Products.

Pursuant to the License Agreement, AMF granted us a royalty-bearing, sublicensable (by written, executed agreements only, subject to the terms of the License Agreement) license, under the AMF IP to make, have made, lease, offer to lease, use, sell, offer for sale, market, promote, advertise, import, research, develop and commercialize the AMF Licensed Products worldwide for the treatment of (i) chronic pain in humans through the application of electrical energy to the nervous system, (ii) inflammatory conditions of the human body through the application of electrical energy to the vagus nerve, a nerve that interfaces with parasympathetic control of the heart, lungs and digestive tract and (iii) urinary and fecal dysfunction in humans through the application of electrical energy anywhere in or on the human body, excluding, in each case, any product or method that involves the placement of electrodes or the administration of electrical stimulation inside the cranial cavity or to the ocular nervous system or the auditory nervous system. We have the right to expand the field of use for the AMF IP to the (i) treatment of any condition (other than inflammatory conditions) in humans through the application of electrical energy to the vagus nerve or anywhere else in the body other than the vagus nerve, and (ii) modulation of digestive process and treatment of digestive conditions in humans through the application of electrical energy anywhere in or on the body, subject to the exclusions described above.

Generally, the license is non-transferable without the prior written consent of AMF, except to an affiliate of our company or in connection with the acquisition of our company (whether by merger, consolidation, sale or otherwise) or the part of our business to which the License Agreement relates, provided that the assignee agrees in writing to be bound to the terms of the License Agreement to which we are bound.

The license is co-exclusive with AMF solely with respect to (i) AMF IP resulting from AMF's performance of any engineering services rendered under the License Agreement, and (ii) AMF's right to use AMF IP for non-commercial research, educational and scholarly purposes.

We granted to AMF a royalty-free, worldwide, sublicensable, perpetual, exclusive license to any patent rights controlled by us that arise out of our improvements to the inventions claimed in the AMF IP, or the Axonics Licensed IP. This license granted by us to AMF explicitly excludes uses of the Axonics Licensed IP that are within the scope of the exclusive license of the AMF IP granted by AMF to us. Such license is irrevocable unless we terminate the License Agreement and AMF does not agree to pay us compensation for such license mutually agreed between us and AMF or determined by arbitration in accordance with the terms of the License Agreement.

In addition, the License Agreement provides AMF with the option, or the AMF Option, to license from us any intellectual property owned by us or otherwise in our control that is related to electrical stimulation of human tissue, separate from the Axonics Licensed IP and AMF IP, on terms that are materially consistent with the terms upon which we license the AMF IP pursuant to the License Agreement, and subject to field of use restrictions that would be determined upon the exercise of the AMF Option. AMF has expressly declined in writing to exercise the AMF Option.

Pursuant to the License Agreement, we are obligated to pay a 4% royalty of all net revenue derived from the AMF Licensed Products if one of the following conditions applies: (i) one or more valid claims within any of the patents licensed to us by AMF covers such AMF Licensed Products or the manufacture of such AMF Licensed Products or (ii) for a period of 12 years from the first commercial sale anywhere in the world of such AMF Licensed Product, in each case, subject to certain adjustments.

In 2017, we sold several of our r-SNM Systems as part of a one-time evaluation agreement with a hospital in Canada. As a result, we generated net revenue of $128,118 and recorded related royalties of $4,972 during the fiscal year ended December 31, 2017. No revenue was generated and no payments were made during the fiscal year ended December 31, 2016. In addition, beginning in 2018, we are required to pay AMF a minimum annual royalty, or the Minimum Royalty, payable quarterly if the royalty due is in excess of the Minimum Royalty, which will automatically increase each calendar year thereafter, subject to a maximum amount of $200,000 per year. We have accrued $37,500 as of June 30, 2018 toward AMF Minimum Royalties.

Under the License Agreement, for each calendar year beginning in 2018, we are obligated to pay AMF the greater of (i) the amount of the 4% royalty referred to above, and (ii) the Minimum Royalty for such calendar year beginning with 2018. We have 60 days to pay AMF this amount, and if we fail to pay AMF within such 60-day period, AMF may, at its election, convert the exclusive license to a non-exclusive license or terminate the License Agreement.

The License Agreement was amended twice in February 2014, once in connection with our Series A preferred stock financing, in order to, among other things, include the field of the treatment of urinary and fecal dysfunction in humans through the application of electrical energy anywhere in or on the human body, within the scope of the licenses granted therein, an option under the License Agreement that required us to pay $1.0 million. In consideration for the inclusion of this field with the scope of the licenses granted in License Agreement, we issued AMF 50,000 shares of our Series A preferred stock.

As of June 30, 2018, AMF holds 740,000 shares of our common stock, 125,000 shares of our Series A preferred stock, and 771,161 shares of our Series B-1 preferred stock. John Petrovich, a member of our board of directors, is the President, Chief Executive Officer, Senior Vice President of Business Development, and General Counsel of AMF. For additional information about the License Agreement, see “Business—AMF License Agreement.”

The initial term of the License Agreement is from October 1, 2013 to October 1, 2033, and will automatically continue until all patents are no longer in force. Upon completion of the initial term, the license granted pursuant to the License Agreement will be fully paid-up and perpetual except that if we wish to continue to practice any of the patents licensed to us by AMF that remain in force after such initial term, then we will have to continue to pay a reduced royalty for so long as such patent remains in force.

Each party may terminate the License Agreement if the other party commits a material breach of any obligation under the License Agreement and such breach is not cured within 90 days following receipt of notice of such breach from the other party. AMF may terminate the License Agreement upon (i) notice to us in the event we challenge or assist any other person or entity in challenging the patentability, enforceability or validity of any of the AMF patents licensed to us under the License Agreement, subject to certain exceptions including challenges that we are not infringing any such AMF patent, and (ii) upon our filing of or the institution of bankruptcy, reorganization, liquidation or receivership proceedings, or upon an assignment of a substantial portion of our assets for the benefit of creditors, and in the case of involuntary bankruptcy, in the event we consent to such bankruptcy and it is not dismissed within 90 days. Lastly, we may terminate the License Agreement in full for any reason effective upon 60 days written notice to AMF.

In the event of certain termination by AMF, we may be required to pay damages to AMF and AMF may have the right to terminate the license. In addition, if any of the royalties or other cash payments become due under the terms of the License Agreement, we may not have sufficient funds available to meet our payment obligations, which would allow AMF to terminate the License Agreement. Any termination or loss of rights (including exclusivity) under the License Agreement would materially and adversely affect our ability to develop and commercialize our r-SNM System, which in turn would have a material adverse effect on our business, operating results and prospects.

We are reliant on a single product and if we are not successful in commercializing our r-SNM System our business will not succeed.

Our success depends completely on our r-SNM System, which is our sole product. We currently have no other product available for sale. If our r-SNM System is not successful at a level sufficient to generate a profit and we are unable to develop additional products or compelling enhancements to our r-SNM System to generate additional profit, our business will not succeed.

For over 20 years, physicians and patients have relied on the only approved SNM therapy offered by Medtronic plc, or Medtronic, InterStim II and its predecessor, InterStim I. As our r-SNM System will be a new product in the SNM market, our primary strategy to penetrate the market and grow our revenue is to drive physician and patient awareness of the material benefits of our r-SNM System. Physicians and patients may choose not to adopt our r-SNM System for a number of reasons, including:

- familiarity with InterStim II or preference for any new device for the treatment of SNM that Medtronic could develop and commercialize in the future;
- inability to use our r-SNM System on-label for additional unapproved indications;
- lack of experience with our r-SNM System and with SNM as a treatment alternative;
- our inability to convince key opinion leaders to provide recommendations regarding our r-SNM System, or to convince physicians and patients that it is an attractive alternative to InterStim II and other third-line therapies such as BOTOX injections and PTNS;
- perceived or actual benefits of InterStim II;
- perceived inadequacy of evidence supporting the clinical benefits or cost-effectiveness of our r-SNM System over existing alternatives;
- inability to charge our r-SNM System or preference for a non-rechargeable device, such as InterStim II;

- marketing and other efforts by Medtronic targeting physicians, including those with whom they have long-term relationships; and
- ineffectiveness of our sales and marketing efforts for our r-SNM System.

In addition, patients may choose not to adopt SNM therapy as a potential therapy if, among other potential reasons, their anatomy would not allow for effective treatment with our r-SNM System, they are reluctant to receive an implantable device as opposed to an alternative, non-implantable treatment, or they are worried about potential adverse effects of SNM therapy, such as infection, discomfort from the stimulation, or soreness or weakness.

We intend to focus the majority of our sales and marketing efforts in the United States where reimbursement for SNM therapy is well established and covered by most major U.S. insurers. We plan to build a specialized and dedicated direct sales organization, which will initially target the estimated 850 physician specialists that represent a majority of the implant volume in the United States. We estimate that approximately 75% of U.S. implant volume is generated by less than 1,000 physicians. In addition, we plan to strategically expand into international markets where reimbursement for SNM therapy is established. We will initially endeavor to hire a specialty sales force of approximately 60 sales representatives in anticipation of our potentially receiving FDA approval to support the commercial launch of our r-SNM System in the United States. Further, we expect to grow our sales force over time and the number of our sales representatives at commercial launch will vary and may be higher depending on the duration of the PMA review process.

We also expect to conduct direct-to-patient marketing efforts to drive patient awareness of SNM therapy in general and our r-SNM System in particular. We believe that approximately 40% of people in the United States and Europe with OAB seek treatment, as they may be embarrassed to talk to their doctor about their symptoms and may even believe that their symptoms are untreatable. We intend to educate patients on the availability of SNM therapy as a treatment for the symptoms of OAB and FI in an effort to promote dialogue between patients and physicians about the existence of these symptoms in the first instance. Simultaneously we intend to educate physicians on the material benefits of our r-SNM System over InterStim II, which include, among others, longer battery life, smaller and lighter IPG, constant current technology, improved patient experience, and simplified physician implantation and programming. We believe that educating healthcare providers and patients about the clinical merits and patient benefits of our r-SNM System as a treatment for OAB will be key elements driving adoption of our r-SNM System. However, some physicians may have prior history with or a preference for other treatment options. Moreover, our efforts to educate the medical community and patients on the benefits of our r-SNM System will require significant resources and we may never be successful. If healthcare providers and patients do not adopt our r-SNM System, and our r-SNM System does not achieve broad market acceptance, our ability to execute our growth strategy will be impaired, and our business and future prospects may be adversely affected.

We will compete against other companies offering first-, second- and third-line therapies for the treatment of OAB, some of which have longer operating histories, more established products or greater resources than we do, which may prevent us from achieving increased market penetration and improved operating results.

The medical technology industry is highly competitive, subject to change and significantly affected by new product introductions and other activities of industry participants. Our competitors have historically dedicated and will continue to dedicate significant resources to promoting their products and developing new products or methods to treat OAB and FI. We consider our primary competition to be implantable SNM devices designed to treat OAB or FI. InterStim II is the only currently implantable SNM device approved for commercialization in the United States by the FDA, is approved for the treatment of UUI and UUF, FI and UR, and, together with its predecessor InterStim I, has been available to and used by physicians for over 20 years. Medtronic, the maker of InterStim II, is a major medical device company that has substantially greater financial,

technical, sales and marketing resources than we do. The global SNM market was estimated to be approximately $605 million in 2017, which we believe is comprised of sales of SNM systems for the treatment of UUI, UUF, FI, and UR, with the United States comprising nearly 90% of the market. Given the size of the existing and potential market in the United States, we expect that as we prepare to initiate our commercial launch in the United States, Medtronic will take aggressive action to protect its current market position, which could include pursuing full body MRI and developing a rechargeable SNM device in the near future or significantly accelerating its existing plans to pursue any of these product initiatives. If Medtronic were to develop a new device that is comparable to, or more competitive than, our r-SNM System in terms of size, battery life, patient and physician ease of operation, cost and other features, the physician and patient community may prefer Medtronic's new device over ours due to a variety of factors, including familiarity with, and loyalty to, Medtronic. Additionally, we expect that Medtronic will engage in significant marketing and other efforts with physicians, many of whom they have long-term relationships with, to promote InterStim II and any other future SNM device Medtronic could develop and prevent, delay or reduce adoption of our r-SNM System. We believe other businesses, such as Nuvectra, may be in various stages of developing SNM devices designed to treat OAB or FI. If we are successful in obtaining FDA approval for our r-SNM System, we will face significant competition in establishing our market share in the United States and may encounter unforeseen obstacles and competitive challenges in the United States.

We will also compete with other less invasive third-line treatments, such as BOTOX injections and PTNS. In addition, emerging businesses may be in the early stages of developing additional SNM devices or therapies designed to treat OAB or FI. We will also compete with invasive surgical treatment options, such as augmentation cystoplasty, which is a procedure that increases the size of the bladder.

Many of the companies against which we will compete, including Medtronic, may have competitive advantages with respect to primary competitive factors in the market, including:

- greater company, product, and brand recognition;
- more readily accessible sources of additional capital on attractive terms;
- longer history of InterStim II use and physician familiarity with existing products and treatments;
- broader regulatory approvals and more approved indications;
- superior product safety, reliability, and durability;
- better quality and larger volume of clinical data;
- more effective marketing to, and education of, patients, physicians, and hospitals;
- greater patient comfort;
- more sales force experience and greater market access;
- better product support and service;
- more advanced technological innovation, product enhancements, and speed of innovation;
- more effective pricing and revenue strategies;
- lower procedure costs to patients; and
- dedicated practice development.

Our r-SNM System is a third-line therapy for the treatment of OAB in patients who have failed, been contraindicated or refractory for, conservative first- and second-line therapies, such as lifestyle modifications, behavioral changes or medications. First- and second-line therapies comprise the largest segment of the treatment market, and medication and other non-implantable treatments are better known to physicians and hospitals than SNM therapy. We may also face competition from pharmaceutical companies that develop new pharmacological therapies to treat OAB. If one or more device manufacturers successfully develops a device that is more effective, better tolerated or otherwise results in a better patient experience, or if improvements in other third-line therapies make them more effective, easier to use or otherwise more attractive than our therapy, our ability to penetrate the third-line segment of the treatment market or maintain market share could be significantly and adversely affected, which would have a material adverse effect on our business, financial condition and results of operations.

We have not pursued regulatory approval in the United States of our r-SNM System for indications other than for the treatment of UUI, which may limit adoption of our r-SNM System, and if we are unable to obtain approval for indications in addition to our potential approval for UUI, our marketing efforts for our r-SNM System will be limited.

We have not pursued regulatory approval in the United States for our r-SNM System for indications other than for the treatment of UUI. InterStim II is currently approved in the United States for the treatment of UUI, UUF, FI, and UR. Physicians that are familiar with and use InterStim II may not adopt our r-SNM System because they will not be able to use it on-label to treat UUF, FI, or UR. If we are unable to obtain regulatory approval for indications in addition to our potential approval for UUI, our marketing efforts for our r-SNM System and ability to drive adoption among physicians familiar with InterStim II may be severely limited. As a result, we may not generate physician and patient demand or approval of our r-SNM System.

We intend to compete against InterStim II and any future commercially available implantable SNM devices by offering material advantages over existing technology. Such advantages may not be readily adopted by the market and we may need to compete based on price or other factors, at which we may be unsuccessful.

We believe that our r-SNM System's innovative and proprietary design offers significant competitive and functional advantages over InterStim II. We believe that our r-SNM System is the first and only system for SNM therapy with a rechargeable IPG battery that is designed to last approximately 15 years. As a result, patients implanted with our r-SNM System do not need to undergo replacement surgery on average every 4.4 years, as is the case for patients implanted with the non-rechargeable InterStim II. Our proprietary method of combining ceramic and titanium for the IPG enclosure enables us to incorporate a significantly smaller recharging coil into our IPG, which offers benefits such as 60% smaller size and half the weight of InterStim II and enhanced communication range. In addition, our r-SNM System employs constant current, which adapts to the body's physiological changes, which we expect will provide a more consistent and reliable therapy over time and reduce patient and physician management of the therapy. Further, our r-SNM System is differentiated by significant wireless charging benefits and an easy-to-use patient remote control. Finally, we designed and custom built a touchscreen clinician programmer that guides the implanting physician through electrode placement and stimulation programming. Our clinician programmer allows physicians to connect to a patient's IPG, while the patient is in the physician's care, to access key therapy data that is stored and maintained on the IPG.

However, these advantages may not be perceived as well as we expect by patients and physicians. As a result, we may need to compete on the basis of price or other factors, which may negatively impact market reaction to our r-SNM System. For example, the decreasing prices may cause patients and physicians to perceive our r-SNM System to be of lower quality than InterStim II, which could limit widespread adoption and acceptance of our r-SNM System. Moreover, price competition would also likely render sales of our r-SNM System less profitable. Any of these consequences could adversely affect our business, financial condition and results of operations.

Our long-term growth depends, in part, on our ability to develop and enhance our r-SNM System, and if we fail to do so we may be unable to compete effectively.

It is important to our business and our long-term growth that we continue to develop and enhance our r-SNM System. We intend to continue to invest in research and development activities focused on improvements and enhancements to our r-SNM System. Our goals include introducing market differentiating 1.5T/3.0T MRI full body conditional labelling for our r-SNM System, reducing by half the number of IPG battery recharging sessions required for the IPG to remain charged for one full month, introducing compatibility features that would enable us to compete with the replacement of the IPG of InterStim II, and expanding the suite of product solutions available for SNM therapy over time. Additionally, we intend to pursue regulatory approval for other indications in the United States in the future.

Developing enhancements to our r-SNM System can be expensive and time-consuming and could divert management's attention away from the commercialization of our r-SNM System and divert financial resources from other operations. The success of any new product enhancements, including approval of our r-SNM System for additional indications, will depend on several factors, including our ability to:

- properly identify and anticipate physician and patient needs, and develop new product enhancements to meet those needs;
- demonstrate, if required, the safety and effectiveness of new enhancements to our r-SNM System, including additional indications, with data from preclinical studies and clinical studies;
- obtain, and obtain in a timely manner, the necessary regulatory clearances or approvals for new enhancements to our r-SNM System, product modifications or expanded indications for our r-SNM System;
- avoid infringing upon the intellectual property rights of third-parties;
- be fully FDA-compliant with marketing of new devices or modified products;
- competitive counter moves advanced by Medtronic to secure and maintain customers;
- develop an effective and dedicated sales and marketing team to provide adequate education and training to potential users of our r-SNM System; and
- receive adequate coverage and reimbursement for procedures performed with our r-SNM System.

If we are not successful in commercializing our r-SNM System, expanding the indications for which it may be approved and developing and commercializing new product enhancements, our ability to achieve and maintain market share and increase our revenue may be impaired, which could have a material adverse effect on our business, financial condition and results of operations.

We will need to increase the size of our organization and we may be unable to manage our growth effectively.

We have been growing rapidly in recent periods and have a relatively short history of operating as a commercial company. As of September 30, 2018, we had 72 employees. We expect to hire and train new personnel as we continue to grow and expand our operations. Primarily, we plan to build a specialized and dedicated direct sales organization. We will initially endeavor to hire a specialty sales force of approximately 60 sales representatives in anticipation of our potentially receiving FDA approval to support the commercial launch of our r-SNM System in the United States. However, we may not be able to hire a sufficient number of sales

representatives to support our U.S. commercial operations in time for commercial launch or at all. Further, we expect to grow our sales force over time. Any failure by us to manage our growth effectively or to hire a sufficient number of sales representatives and the number of our sales representatives at commercial launch will vary and may be higher depending on the duration of the PMA review process, could have an adverse effect on our ability to achieve our development and commercialization goals.

To achieve our revenue goals, we must successfully increase manufacturing output to meet expected customer demand. In the future, we may experience difficulties with manufacturing yields, quality control, component supply and shortages of qualified personnel, among other problems. These problems could result in delays in product availability and increases in expenses. Any such delay or increased expense could adversely affect our ability to generate our revenue. Future growth will also impose significant added responsibilities on management, including the need to identify, recruit, train and integrate additional employees. In addition, rapid and significant growth will place a strain on our administrative and operational infrastructure. In order to manage our operations and growth we will need to continue to improve our operational and management controls, reporting and information technology systems and financial internal control procedures. If we are unable to manage our growth effectively, it may be difficult for us to execute our business strategy and our operating results and business could suffer.

In addition, as a public company, we will need to support managerial, operational, financial and other resources to manage our operations, commercialize our r-SNM System and continue our research and development activities. Our management and personnel, systems and facilities currently in place may not be adequate to support this future growth, and this growth may place significant strain on us. Successful growth will also be dependent upon our ability to implement appropriate financial and management controls. Due to our limited financial resources and our limited experience in managing a company with anticipated growth, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The expansion of our operations may lead to significant costs and may divert the attention of our management and business development resources. If we fail to manage these challenges effectively, there may be an adverse effect on our business, financial condition and results of operations.

If the quality of our r-SNM System does not meet the expectations of physicians or patients, then our brand and reputation or our business could be adversely affected.

In the course of conducting our business, we must adequately address quality issues that may arise with our r-SNM System, including defects in third-party components included in our r-SNM System. Although we have established internal procedures designed to minimize risks that may arise from quality issues, we may not be able to eliminate or mitigate occurrences of these issues and associated liabilities. In addition, even in the absence of quality issues, we may be subject to claims and liability if the performance of our r-SNM System does not meet the expectations of physicians or patients. For example, the anticipated battery life of our r-SNM System will vary based on usage and therapy settings. The battery is designed to last for approximately 15 years, but it may be shorter if a patient's required therapy results in the device being used in excess of normal use conditions or if other physical battery failures occur. If the quality of our r-SNM System does not meet the expectations of physicians or patients, then our brand and reputation with those physicians or patients, and our business, financial condition and results of operations, could be adversely affected.

The size and future growth in the market for SNM therapy has not been established with precision and may be smaller than we estimate, possibly materially. If our estimates and projections overestimate the size of this market, our sales growth may be adversely affected.

Our estimates of the size and future growth in the market for SNM therapy, including the number of people in the United States and Europe who suffer from symptoms of either OAB or FI and who are readily treatable with and eligible candidates for SNM therapy, is based on a number of internal and third-party studies, reports and estimates. In addition, our internal estimates are based in large part on current treatment patterns by

healthcare providers using SNM therapy and our belief that the incidence of OAB and FI in the United States, Europe and worldwide is increasing. While we believe these factors have historically provided and may continue to provide us with effective tools in estimating the total market for SNM therapy and our r-SNM System, these estimates may not be correct and the conditions supporting our estimates may change at any time, thereby reducing the predictive accuracy of these underlying factors. The actual numbers of people with OAB and FI who are readily treatable with and eligible candidates for SNM therapy, and the actual demand for our r-SNM System or competitive products, could differ materially from our projections if our assumptions are incorrect. As a result, our estimates of the size and future growth in the market for our r-SNM System may prove to be incorrect. If the actual number of people with OAB and FI who would benefit from our r-SNM System and the size and future growth in the market for our r-SNM System is smaller than we have estimated, it may impair our projected sales growth and have an adverse impact on our business. Additionally, while we have regulatory approvals in Europe, Canada, and Australia for OAB, FI, and UR, we initially intend to pursue regulatory approval in the United States for UUI, a predominant OAB subtype, and we intend to seek regulatory approval for other indications in the United States in the future.

We may enter into collaborations, in-licensing arrangements, joint ventures, strategic alliances or partnerships with third-parties that may not result in the development of commercially viable products or product improvements or the generation of significant future revenues.

In the ordinary course of our business, we may enter into collaborations, in-licensing arrangements, joint ventures, strategic alliances, partnerships or other arrangements to develop new products or product improvements and to pursue new markets. Proposing, negotiating and implementing collaborations, in-licensing arrangements, joint ventures, strategic alliances or partnerships may be a lengthy and complex process. Other companies, including those with substantially greater financial, marketing, sales, technology or other business resources, may compete with us for these opportunities or arrangements. We may not identify, secure, or complete any such transactions or arrangements in a timely manner, on a cost-effective basis, on acceptable terms or at all. We have limited institutional knowledge and experience with respect to these business development activities, and we may also not realize the anticipated benefits of any such transaction or arrangement. In particular, these collaborations may not result in the development of products that achieve commercial success or viable product improvements or result in significant revenues and could be terminated prior to developing any products.

Additionally, we may not be in a position to exercise sole decision making authority regarding the transaction or arrangement, which could create the potential risk of creating impasses on decisions, and our future collaborators may have economic or business interests or goals that are, or that may become, inconsistent with our business interests or goals. It is possible that conflicts may arise with our collaborators, such as conflicts concerning the achievement of performance milestones, or the interpretation of significant terms under any agreement, such as those related to financial obligations or the ownership or control of intellectual property developed during the collaboration. If any conflicts arise with any future collaborators, they may act in their self-interest, which may be adverse to our best interest, and they may breach their obligations to us. In addition, we may have limited control over the amount and timing of resources that any future collaborators devote to our or their future products. Disputes between us and our collaborators may result in litigation or arbitration which would increase our expenses and divert the attention of our management. Further, these transactions and arrangements will be contractual in nature and will generally be terminable under the terms of the applicable agreements and, in such event, we may not continue to have rights to the products relating to such transaction or arrangement or may need to purchase such rights at a premium.

If we enter into in-bound intellectual property license agreements, we may not be able to fully protect the licensed intellectual property rights or maintain those licenses. Future licensors could retain the right to prosecute and defend the intellectual property rights licensed to us, in which case we would depend on the ability of our licensors to obtain, maintain and enforce intellectual property protection for the licensed intellectual property. These licensors may determine not to pursue litigation against other companies or may pursue such

litigation less aggressively than we would. Further, entering into such license agreements could impose various diligence, commercialization, royalty or other obligations on us. Future licensors may allege that we have breached our license agreement with them, and accordingly seek to terminate our license, which could adversely affect our competitive business position and harm our business prospects.

We may seek to grow our business through acquisitions of complementary products or technologies, and the failure to manage acquisitions, or the failure to integrate them with our existing business, could harm our business, financial condition and operating results.

From time to time, we may consider opportunities to acquire other companies, products or technologies that may enhance our product platform or technology, expand the breadth of our markets or customer base, or advance our business strategies. Potential acquisitions involve numerous risks, including:

- problems assimilating the acquired products or technologies;
- issues maintaining uniform standards, procedures, controls and policies;
- unanticipated costs associated with acquisitions;
- diversion of management's attention from our existing business;
- risks associated with entering new markets in which we have limited or no experience;
- increased legal and accounting costs relating to the acquisitions or compliance with regulatory matters; and
- unanticipated or undisclosed liabilities of any target.

We have no current commitments with respect to any acquisition. We do not know if we will be able to identify acquisitions we deem suitable, whether we will be able to successfully complete any such acquisitions on favorable terms or at all, or whether we will be able to successfully integrate any acquired products or technologies. Our potential inability to integrate any acquired products or technologies effectively may adversely affect our business, operating results and financial condition.

The implementation of a new enterprise resource planning system could cause disruption to our business and operations.

We are in the process of implementing a new enterprise resource planning system, or ERP system. This system will integrate our operations, including supply-chain, order entry, manufacturing, inventory and financial reporting, among others. ERP system implementations are complex projects that require significant investment of capital and human resources, the reengineering of many business processes and the attention of many employees who would otherwise be focused on other aspects of our business. Any disruptions, delays or deficiencies in the design and implementation of the improvements to our ERP system may result in potentially much higher costs than anticipated and may adversely affect our ability to develop and launch solutions, fulfill contractual obligations, file reports with the Securities and Exchange Commission, or SEC, in a timely manner or otherwise operate our business and our controls environment. Moreover, despite our security measures, our information technology systems, including the ERP system, are vulnerable to damage or interruption from fires, floods and other natural disasters, terrorist attacks, computer viruses or hackers, power losses and computer system or data network failures, which could result in significant data losses or theft of sensitive or proprietary information. Any of these consequences may harm our business.

Potential complications from our r-SNM System or future enhancements to our r-SNM System may not be revealed by our clinical experience.

Based on our experience, complications from use of our r-SNM System may include infection, pain at site, lead migration or fracture, and the body's rejection of the implant. However, if unanticipated side-effects result from the use of our r-SNM System, we could be subject to liability and our device would not be widely adopted. Long-term use may result in unanticipated complications, even after the device is removed. Additionally, while the IPG battery for our r-SNM System is designed to last approximately 15 years, we have not tested the battery in an actual implant in the body for that period and the battery may not last that long under normal or atypical use conditions. If implants in people reveal that our battery fails before its designed 15-year life, physicians and patients may lose confidence in our r-SNM System, which may materially harm our reputation and our business.

Our ability to achieve profitability will depend, in part, on our ability to reduce the per unit manufacturing cost of our r-SNM therapy.

Currently, the gross profit generated from the sale of our r-SNM System is not sufficient to cover our operating expenses. To achieve our operating and strategic goals, we need to, among other things, reduce the per unit manufacturing cost of our r-SNM System. This cannot be achieved without increasing the volume of components that we purchase in order to take advantage of volume-based pricing discounts, improve manufacturing efficiency or increase our volume to leverage manufacturing overhead costs. If we are unable to improve manufacturing efficiency and reduce manufacturing overhead costs per unit, our ability to achieve profitability will be severely constrained. Any increase in manufacturing volumes is dependent upon a corresponding increase in sales. The occurrence of one or more factors that negatively impact the manufacturing or sales of our r-SNM System or reduce our manufacturing efficiency may prevent us from achieving our desired reduction in manufacturing costs, which would negatively affect our operating results and may prevent us from attaining profitability.

If we fail to receive access to hospital facilities, our sales may decrease.

In the United States, in order for physicians to use our r-SNM System, we expect that the hospital facilities where these physicians treat patients will typically require us to enter into purchasing contracts. This process can be lengthy and time-consuming and require extensive negotiations and management time. In the European Union, or EU, certain institutions may require us to engage in a contract bidding process in the event that such institutions are considering making purchase commitments that exceed specified cost thresholds, which vary by jurisdiction. These processes are only open at certain periods of time, and we may not be successful in the bidding process. If we do not receive access to hospital facilities via these contracting processes or otherwise, or if we are unable to secure contracts or tender successful bids, our sales may decrease and our operating results may be harmed. Furthermore, we may expend significant effort in these time-consuming processes and still may not obtain a purchase contract from such hospitals.

Our indebtedness to Silicon Valley Bank may limit our flexibility in operating our business and adversely affect our financial health and competitive position, and all of our obligations to Silicon Valley Bank are secured by substantially all of our assets, excluding our intellectual property assets. If we default on these obligations, Silicon Valley Bank could foreclose on our assets.

In February 2018, we entered into the Loan and Security Agreement, or the Loan Agreement, with Silicon Valley Bank providing for a term loan, or the Term Loan. Pursuant to the Loan Agreement, we may request up to $20.0 million in three tranches of term loans, with such drawn obligations maturing on June 1, 2021. We requested $10.0 million from the first tranche, or Tranche A, simultaneously with the entry into the Loan Agreement, which is currently outstanding. We may request an additional $5.0 million, or Tranche B, after the date commencing on the later of (i) the date that we achieve positive three-month results in our

ARTISAN-SNM pivotal study, as confirmed to Silicon Valley Bank by a member of our management team and a member of our board of directors, and (ii) July 1, 2018, and ending on December 31, 2018, and another $5.0 million, or Tranche C, and together with Tranche A and Tranche B, the Tranches, after the date commencing on the later of (i) the date that Silicon Valley Bank receives evidence, in form and substance reasonably satisfactory to Silicon Valley Bank, that we have received our PMA in the United States for our r-SNM System or gross proceeds from the sale of our equity securities of not less than $20.0 million (which condition was satisfied when we issued and sold 2,233,333 shares of our Series C preferred stock in March 2018 for aggregate gross proceeds of $20,099,997), and (ii) January 1, 2019, and ending on March 31, 2019, subject to certain terms and conditions. If either Tranche B or Tranche C is drawn, then the maturity of the Term Loan is automatically extended to December 1, 2021.

The Loan Agreement provides for monthly interest payments through December 31, 2018; provided that, (i) if we request and Silicon Valley Bank funds Tranche B or Tranche C, this interest-only period automatically extends through June 30, 2019, and (ii) if we have received a PMA in the United States for our r-SNM System and we request and Silicon Valley Bank funds Tranche C, the interest-only period automatically extends through December 31, 2019. On the first day of the end of the interest only period, we will be required to repay the Term Loan in equal monthly installments of principal plus interest through maturity. Outstanding principal balances under the Term Loan bear interest at the prime rate plus 1.75%.

We may prepay amounts outstanding under the Term Loan in increments of $5.0 million at any time with 30 days prior written notice to Silicon Valley Bank. However, all prepayments of the Term Loan prior to maturity, whether voluntary or mandatory (acceleration or otherwise), are also subject to the payment of a prepayment fee equal to (i) for a prepayment made on or after the closing date through and including the first anniversary of the closing date, 3.00% of the principal amount of the Term Loan being prepaid, (ii) for a prepayment made after the date which is the first anniversary of the closing date through and including the second anniversary of the closing date, 2.00% of the principal amount of the Term Loan being prepaid, and (iii) for a prepayment made after the date which is the second anniversary of the closing date and before the maturity date, 1.00% of the principal amount of the Term Loan being prepaid. Additionally, on the earliest to occur of (i) the maturity date of the Term Loan, (ii) the acceleration of the Term Loan, or (iii) the prepayment of the Term Loan, we will be required to make a final payment equal to the original principal amount of such Tranche multiplied by 7.50%. We are currently accruing the portion of the final payment calculated based on the amount outstanding under the Term Loan.

All obligations under the Term Loan are secured by a first priority lien on substantially all of our assets, excluding intellectual property assets and more than 65% of the shares of voting capital stock of any of our foreign subsidiaries. We have agreed with Silicon Valley Bank not to encumber our intellectual property assets without its prior written consent unless a security interest in the underlying intellectual property is necessary to have a security interest in the accounts and proceeds that are part of the assets securing the Term Loan, in which case our intellectual property shall automatically be included within the assets securing the Term Loan. As a result, if we default on any of our obligations under the Loan Agreement, Silicon Valley Bank could foreclose on its security interest and liquidate some or all of the collateral, which would harm our business, financial condition and results of operations and could require us to reduce or cease operations.

In order to service this indebtedness and any additional indebtedness we may incur in the future, we need to generate cash from our operating activities. Our ability to generate cash is subject, in part, to our ability to successfully execute our business strategy, as well as general economic, financial, competitive, regulatory and other factors beyond our control. Our business may not be able to generate sufficient cash flow from operations, and future borrowings or other financings may not be available to us in an amount sufficient to enable us to service our indebtedness and fund our other liquidity needs. To the extent we are required to use cash from operations or the proceeds of any future financing to service our indebtedness instead of funding working capital, capital expenditures or other general corporate purposes, we will be less able to plan for, or react to, changes in our business, industry and in the economy generally. This could place us at a competitive disadvantage compared to our competitors that have less indebtedness.

The Loan Agreement contains certain covenants that limit our ability to engage in certain transactions that may be in our long-term best interest. Subject to certain limited exceptions, these covenants limit our ability to or prohibit us to permit any of our subsidiaries to, as applicable, among other things:

- pay cash dividends on, make any other distributions in respect of, or redeem, retire or repurchase, any shares of our capital stock;
- convey, sell, lease, transfer, assign, or otherwise dispose of all or any part of our business or property;
- effect certain changes in our business, management, ownership or business locations;
- merge or consolidate with, or acquire all or substantially all of the capital stock or property of any other company;
- create, incur, assume, or be liable for any additional indebtedness, or create, incur, allow, or permit to exist any additional liens;
- make certain investments; and
- enter into transactions with our affiliates.

While we have not previously breached and are currently in compliance with the covenants contained in the Loan Agreement, we may breach these covenants in the future. Our ability to comply with these covenants may be affected by events and factors beyond our control. In the event that we breach one or more covenants, Silicon Valley Bank may choose to declare an event of default and require that we immediately repay all amounts outstanding under the Loan Agreement, terminate any commitment to extend further credit and foreclose on the collateral. The occurrence of any of these events could have a material adverse effect on our business, financial condition and results of operations.

Our results of operations could be materially harmed if we are unable to accurately forecast customer demand for our r-SNM System and manage our inventory.

If our r-SNM System is approved in the United States, to ensure adequate inventory supply, we must forecast inventory needs and place orders with suppliers based on our estimates of future demand for our r-SNM System. If approved in the United States, we anticipate there will be an increased demand for our r-SNM System, and our limited historical experience in foreign markets may not provide us with enough data to accurately predict future demand. Our ability to accurately forecast demand for our r-SNM System could be negatively affected by many factors, including our failure to adequately manage our expansion efforts, product introductions by competitors, an increase or decrease in customer demand for our r-SNM System or for products of our competitors, our failure to accurately forecast customer acceptance of new product enhancements, unanticipated changes in general market conditions or regulatory matters, and weakening of economic conditions or consumer confidence in future economic conditions.

Inventory levels in excess of customer demand may result in inventory write-downs or write-offs, which would cause our gross margin to be adversely affected and could impair the strength of our brand. Similarly, a portion of our inventory could become obsolete or expire, which could have a material and adverse effect on our earnings and cash flows due to the resulting costs associated with inventory impairment charges and costs required to replace obsolete inventory. Any of these occurrences could negatively impact our financial performance.

Conversely, if we underestimate customer demand for our r-SNM System, we may not be able to deliver sufficient products to meet our customers' requirements, which could result in damage to our reputation and

customer relationships. In addition, if we experience a significant increase in demand, additional supplies of raw materials or additional manufacturing capacity may not be available when required on terms that are acceptable to us, or at all, or suppliers or our third-party manufacturers may not be able to allocate sufficient resources to meet our increased requirements, which could have an adverse effect on our ability to meet customer demand for our r-SNM System and our results of operations.

We rely on third parties for the manufacture of our r-SNM System. This reliance on third parties increases the risk that we will not have sufficient quantities of our r-SNM System or such quantities at an acceptable cost, and reduces our control over the manufacturing process, which could delay, prevent, or impair our development or commercialization efforts.

We currently rely, and expect to continue to rely, on third-party manufacturers for the manufacture of certain components of our r-SNM System. For our off-the-shelf components, we do not have long-term supply agreements with many of our third-party manufacturers, and we purchase certain components of our r-SNM System on a purchase order basis. We may be unable to establish any agreements with third-party manufacturers or to do so on acceptable terms. Even if we are able to establish agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- the possible failure of the third party to manufacture any such component of our r-SNM System according to our schedule, or at all, including if our third-party contractors give greater priority to the supply of other products over our r-SNM System or otherwise do not satisfactorily perform according to the terms of the agreements and/or purchase orders between us and them;
- the possible termination or nonrenewal of agreements by our third-party contractors at a time that is costly or inconvenient for us;
- the possible breach by the third-party manufacturers of our agreements with them;
- the failure of third-party manufacture to comply with applicable regulatory requirements;
- the possible failure of the third-party to manufacture such component of our r-SNM System according to our specifications; and
- the possible misappropriation of our proprietary information, including our trade secrets and know-how.

We do not have complete control over all aspects of the manufacturing process of, and are dependent on, our contract manufacturing partners for compliance with current Good Manufacturing Practice, or cGMP, regulations applicable to our r-SNM System. Third-party manufacturers may not be able, or fail, to comply with cGMP regulations or similar regulatory requirements outside of the United States. If our third-party manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or others, they will not be able to secure and/or maintain marketing approval for their manufacturing facilities.

In addition, we do not have complete control over the ability of our third-party manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a comparable foreign regulatory authority withdraws any such approval they have already procured, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain marketing approval for or market our r-SNM System. Our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls, operating restrictions and criminal prosecutions, any of which could significantly and adversely harm our business and results of operations.

Any performance failure on the part of our existing or future manufacturers could delay marketing approval. We do not currently have arrangements in place for redundant supply of certain components of our r-SNM System. If our current third-party manufacturers cannot perform as agreed, we may be required to replace those manufacturers. Although we believe that there are several potential alternative manufacturers who could manufacture these components, we may incur added costs and delays in identifying and qualifying any such replacement.

Our current and anticipated future dependence upon others for the manufacture of our r-SNM System may adversely affect our future profit margins and our ability to commercialize our r-SNM System on a timely and competitive basis.

We have a limited history of manufacturing and assembling our r-SNM System in commercial quantities and may encounter related problems or delays that could result in lost revenue.

The manufacturing process of our r-SNM System includes sourcing components from various third-party suppliers, assembly and testing. We must manufacture and assemble these systems in compliance with regulatory requirements and at an acceptable cost in order to achieve and maintain profitability. We have only a limited history of manufacturing and assembling our r-SNM System and, as a result, we may have difficulty manufacturing and assembling this system in sufficient quantities in a timely manner. To manage our manufacturing and operations with our suppliers, we will need to forecast anticipated product orders and material requirements to predict our inventory needs from six months to a year in advance and enter into purchase orders on the basis of these requirements. Our limited manufacturing history may not provide us with enough data to accurately predict future component demand, fluctuations in availability and pricing of commodity materials of supply, and, to anticipate our costs and supply needs effectively. We may in the future experience delays in obtaining components from suppliers, which could impede our ability to manufacture and assemble our r-SNM System on our expected timeline. As a result of this or any other delays, we may encounter difficulties in production of our r-SNM System, including problems with quality control and assurance, component supply shortages or surpluses (including with respect to the ceramic and titanium we use in our r-SNM System), increased costs, shortages of qualified personnel and difficulties associated with compliance with local, state, federal and foreign regulatory requirements.

Performance issues, service interruptions or price increases by shipping carriers could adversely affect our business and harm our reputation and ability to provide our r-SNM System on a timely basis.

Expedited, reliable shipping will be essential to our operations. We intend to rely heavily on providers of transport services for reliable and secure point-to-point transport of our r-SNM System to our customers and for tracking of these shipments. Should a carrier encounter delivery performance issues such as loss, damage or destruction of our r-SNM System, it would be costly to replace our r-SNM System in a timely manner and such occurrences may damage our reputation and lead to decreased demand for our r-SNM System and increased cost and expense to our business. In addition, any significant increase in shipping rates could adversely affect our operating margins and results of operations. Similarly, strikes, severe weather, natural disasters or other service interruptions affecting delivery services we use would adversely affect our ability to process orders for our r-SNM System on a timely basis.

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

We are exposed to the risk that our employees, consultants, and other commercial partners and business associates may engage in fraudulent or illegal activity. Misconduct by these parties could include intentional, reckless or negligent conduct or other unauthorized activities that violate the regulations of the FDA and non-U.S. regulators, including those laws requiring the reporting of true, complete and accurate information to such regulators, manufacturing standards, healthcare fraud and abuse laws and regulations in the United States

and internationally or laws that require the true, complete and accurate reporting of financial information or data. In particular, sales, marketing and business arrangements in the healthcare industry, including the sale of medical devices, are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. It is not always possible to identify and deter misconduct by our employees, consultants and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us and we are not successful in defending ourselves or asserting our rights, those actions could result in the imposition of significant fines or other sanctions, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of operations, any of which could adversely affect our ability to operate our business and our results of operations. Whether or not we are successful in defending against such actions or investigations, we could incur substantial costs, including legal fees and reputational harm, and divert the attention of management in defending ourselves against any of these claims or investigations.

Consolidation in the healthcare industry or group purchasing organizations could lead to demands for price concessions, which may affect our ability to sell our r-SNM System at prices necessary to support our current business strategies.

Healthcare costs have risen significantly over the past decade, which has resulted in or led to numerous cost reform initiatives by legislators, regulators and third-party payors. Cost reform has triggered a consolidation trend in the healthcare industry to aggregate purchasing power, which may create more requests for price concessions in the future. Additionally, group purchasing organizations, independent delivery networks and large single accounts may continue to use their market power to consolidate purchasing decisions for hospitals and ambulatory surgery centers, or ASCs. We expect that market demand, government regulation, third-party coverage and reimbursement policies and societal pressures will continue to change the healthcare industry worldwide, resulting in further business consolidations and alliances among our future customers, which may exert further downward pressure on the prices of our r-SNM System.

To successfully market and sell our r-SNM System in markets outside of the United States, we must address many international business risks with which we have limited experience, and failure to manage these risks may adversely affect our operating results and financial condition.

We currently have a limited sales and marketing organization outside the United States. We expect to have sales and operations both inside and outside the United States. Our strategy is to increase our international presence in Europe, Canada, and Australia that have established and favorable reimbursement. International sales and operations are subject to a number of risks, including:

- difficulties in staffing and managing our international sales, marketing, and other operations;
- increased competition as a result of more products and procedures receiving regulatory approval or otherwise being free to market in internationally;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- reduced or varied protection for intellectual property rights in some countries;
- export restrictions, trade regulations, and foreign tax laws;
- fluctuations in foreign currency exchange rates;

- foreign certification and regulatory clearance or approval requirements;
- difficulties in developing effective marketing campaigns in unfamiliar foreign countries;
- customs clearance and shipping delays;
- political, social, and economic instability internationally, terrorist attacks, and security concerns in general;
- preference for locally manufactured products;
- potentially adverse tax consequences, including the complexities of foreign value-added tax, tax inefficiencies related to our corporate structure, and restrictions on the repatriation of earnings;
- the burdens of complying with a wide variety of foreign laws and different legal standards;
- increased financial accounting and reporting burdens and complexities; and
- FCPA, OFAC, the Bribery Act, each of which is defined below, and other export control, anti-corruption, anti-money laundering and anti-terrorism laws and regulations.

If one or more of these risks are realized, our ability to expand our operations into international markets could be limited, which could adversely affect our business, financial condition and results of operations.

Our ability to maintain our competitive position will depend on our ability to retain senior management and other highly qualified personnel.

Our success will depend in part on our continued ability to retain and motivate our highly qualified management, clinical, and other personnel. We are highly dependent upon our management team, particularly our Chief Executive Officer and member of our board of directors, Raymond W. Cohen, and the other members of our senior management, and other key personnel. Although we have entered into employment agreements with our executive officers, each of them may terminate their employment with us at any time. The replacement of any of our key personnel would likely involve significant time and costs and may significantly delay or prevent the achievement of our business objectives, which could have an adverse effect on our business. In addition, we do not carry any “key person” insurance policies that could offset potential loss of service under applicable circumstances.

Many of our employees have become or will soon become vested in a meaningful amount of our common stock or common stock options. Our employees may be more likely to leave us if the shares they own or have the option to purchase have significantly appreciated in value relative to the original purchase price for the shares, or if the exercise prices of the options that they hold are significantly below the market price of our common stock, particularly after the expiration of the lock-up agreements entered into in connection with this offering, as described herein. Replacement of any employees who leave our company could involve significant time and costs and may significantly delay or prevent the achievement of our business objectives, which could have an adverse effect on our business.

If we are unable to achieve and maintain adequate levels of coverage or reimbursement for our r-SNM System, our commercial success may be severely hindered, and in the event insurers require a prior authorization process, such process may not result in positive coverage determination for these patients.

In the United States, we expect to derive nearly all of our revenue from the sale of our r-SNM System to hospitals and ASCs, which typically bill various third-party payors, including Medicare, Medicaid, private

insurance companies, health maintenance organizations and other healthcare-related organizations. In addition, we expect that any portion of the costs and fees associated with our r-SNM System that are not covered by these third-party payors, such as deductibles or co-payments, will be billed directly to the patient by the provider. Further, certain third-party payors may not cover our r-SNM System and the related procedures because they may determine that our r-SNM System and the related procedures are experimental or investigational. Customers that perform the procedure may be subject to reimbursement claim denials upon submission of the claim. Customers may also be subject to recovery of overpayments if a third-party payor makes payment for the claim and subsequently determines that the third-party payor's coding, billing or coverage policies were not followed. In addition, although most large insurers have established coverage policies in place to cover SNM therapy, certain commercial payors have a patient-by-patient prior authorization process that must be followed before they will provide reimbursement for SNM therapy. These processes typically involve the treating physician submitting a form to the payor that provides information about the past treatments provided to the patient that proved ineffective, and the physician's recommendation that the patient be treated with SNM therapy. Although the prior authorization process can take several weeks, based on our industry knowledge, it generally results in positive coverage determination for these patients, however this process may not result in positive coverage determination for these patients. Further, any decline in the amount payors are willing to reimburse our target customers could make it difficult for our target customers to adopt or continue using our r-SNM System and could create additional pricing pressure for us. If we are forced to lower the price we charge for our r-SNM System, our gross margins will decrease, which could have a material adverse effect on our business, financial condition and results of operations and impair our ability to grow our business.

Third-party payors, whether foreign or domestic, or governmental or commercial, are developing increasingly sophisticated methods of controlling healthcare costs. Coverage and reimbursement for procedures using our r-SNM System can differ significantly from payor to payor. Payors continually review new and existing technologies for possible coverage and can, without notice, deny or reverse coverage for new or existing products and procedures. Third-party payor policies may not provide coverage for procedures in which our r-SNM System is used.

Outside the United States, reimbursement levels vary significantly by country and by region, particularly based on whether the country or region at issue maintains a single-payor system. Annual healthcare budgets generally determine the number of SNM systems that will be paid for by the payor in these single-payor system countries and regions. Reimbursement is obtained from a variety of sources, including government-sponsored and private health insurance plans, and combinations of both. Some countries or regions may require us to gather additional clinical data before granting coverage and reimbursement for our r-SNM System. We intend to work with payors to obtain coverage and reimbursement approval in countries and regions where it makes economic sense to do so, however, we may not obtain such coverage, which could have a material adverse effect on our business, financial condition and results of operations and impair our ability to grow our business internationally.

Third-party payors and physicians who do not cover or use our r-SNM System may require additional clinical data prior to adopting or maintaining coverage of our r-SNM System.

Our success depends on third-party payors and physician acceptance of our r-SNM System as an effective treatment option for patients with OAB. If third-party payors or physicians do not find our body of published clinical evidence and data compelling or wish to wait for additional studies, they may choose not to use or provide coverage and reimbursement for our r-SNM System.

In addition, certain physicians, hospitals, ASCs and third-party payors may prefer to see longer-term safety and effectiveness data than we have produced or may be able to produce. Any data that we or others may generate in the future may not be consistent with that observed in our existing clinical studies.

We face the risk of product liability claims that could be expensive, divert management's attention and harm our reputation and business. We may not be able to maintain adequate product liability insurance.

Our business exposes us to the risk of product liability claims that are inherent in the testing, manufacturing and marketing of medical devices. This risk exists even if a device is approved for commercial sale by the FDA and manufactured in facilities licensed and regulated by the FDA or an applicable foreign regulatory authority. Our r-SNM System is designed to affect, and any future enhancements to our r-SNM System will be designed to affect, important bodily functions and processes. Any side effects, manufacturing defects, misuse or abuse associated with our r-SNM System could result in patient injury or death. The medical technology industry has historically been subject to extensive litigation over product liability claims, and we may face product liability suits. We may be subject to product liability claims if our r-SNM System causes, or merely appears to have caused, patient injury or death. In addition, an injury that is caused by the activities of our suppliers, such as those who provide us with components and raw materials, may be the basis for a claim against us. Product liability claims may be brought against us by patients, healthcare providers or others selling or otherwise coming into contact with our r-SNM System, among others. If we cannot successfully defend ourselves against product liability claims, we will incur substantial liabilities and reputational harm. In addition, regardless of merit or eventual outcome, product liability claims may result in:

- costs of litigation;
- distraction of management's attention from our primary business;
- the inability to commercialize our r-SNM System and develop enhancements to our r-SNM System;
- decreased demand for our r-SNM System;
- damage to our business reputation;
- product recalls or withdrawals from the market;
- withdrawal of clinical study participants;
- substantial monetary awards to patients or other claimants; or
- loss of sales.

While we may attempt to manage our product liability exposure by proactively recalling or withdrawing from the market any defective products, any recall or market withdrawal of our r-SNM System may delay the supply to our customers and may impact our reputation. We may not be successful in initiating appropriate market recall or market withdrawal efforts that may be required in the future and these efforts may not have the intended effect of preventing product malfunctions and the accompanying product liability that may result. Such recalls and withdrawals may also be used by our competitors to harm our reputation for safety or be perceived by patients as a safety risk when considering the use of our r-SNM System, either of which could have a material adverse effect on our business, financial condition and results of operations.

Although we have product liability and clinical study liability insurance that we believe is appropriate, this insurance is subject to deductibles and coverage limitations. Our current product liability insurance may not continue to be available to us on acceptable terms, if at all, and, if available, coverage may not be adequate to protect us against any future product liability claims. If we are unable to obtain insurance at an acceptable cost or on acceptable terms or otherwise protect against potential product liability claims, we could be exposed to significant liabilities. A product liability claim, recall or other claim with respect to uninsured liabilities or for amounts in excess of insured liabilities could have a material adverse effect on our business, financial condition and results of operations.

We bear the risk of warranty claims on our r-SNM System.

We bear the risk of warranty claims on our r-SNM System. We may not be successful in claiming recovery under any warranty or indemnity provided to us by our suppliers or third-party manufacturers in the event of a successful warranty claim against us by a customer or and any recovery from any such supplier or third-party manufacturer could be inadequate. In addition, warranty claims brought by our customers related to third-party components may arise after our ability to bring corresponding warranty claims against such suppliers or third-party manufacturers expires, which could result in costs to us.

Unfavorable global economic conditions could adversely affect our business, financial condition or results of operations.

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. The global financial crisis caused extreme volatility and disruptions in the capital and credit markets. A severe or prolonged economic downturn, such as the global financial crisis, could result in a variety of risks to our business, including weakened demand for our r-SNM System, and our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could also strain our manufacturers or suppliers, possibly resulting in supply disruption, or cause our customers to delay making payments for our services. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the economic climate and financial market conditions could adversely affect our business.

Failure of a key information technology system, process, or site could have an adverse effect on our business.

We rely extensively on information technology systems to conduct our business. These systems affect, among other things, ordering and managing materials from suppliers, shipping products to customers, processing transactions, summarizing and reporting results of operations, complying with regulatory, legal or tax requirements, data security, and other processes necessary to manage our business. If our systems are damaged or cease to function properly due to any number of causes, ranging from catastrophic events to power outages to security breaches, and our business continuity plans do not effectively compensate on a timely basis, we may experience interruptions in our operations, which could have an adverse effect on our business. Furthermore, any breach in our information technology systems could lead to the unauthorized access, disclosure and use of non-public information, including information from our patient registry or other patient information, which is protected by HIPAA, as defined below, and other laws. Any such access, disclosure, or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, and damage to our reputation.

If our facilities are damaged or become inoperable, we will be unable to continue to research and develop our r-SNM System and, as a result, there will be an adverse effect on our business until we are able to secure a new facility and rebuild our inventory.

We perform substantially all of our research and development and back office activity and maintain a substantial portion of our finished goods inventory in a single location in Irvine, California. We warehouse a substantially lesser quantity of finished goods in a contract warehousing facility in the Netherlands. Our facilities, equipment and inventory would be costly to replace and could require substantial lead time to repair or replace. Our facilities, and those of our contractors, may be harmed or rendered inoperable by natural or man-made disasters, including, but not limited to, tornadoes, flooding, fire and power outages, which may render it difficult or impossible for us to perform our research, development and commercialization activities for some period of time. The inability to perform those activities, combined with the time it may take to rebuild our inventory of finished product, may result in the loss of customers or harm to our reputation. Although we possess insurance for damage to our property and the disruption of our business, this insurance may not be sufficient to cover all of our potential losses and this insurance may not continue to be available to us on acceptable terms, or at all.

Our results may be impacted by changes in foreign currency exchange rates.

If our international sales increase, we may enter into a greater number of transactions denominated in non-U.S. dollars, which could expose us to foreign currency risks, including changes in currency exchange rates. We do not currently engage in any hedging transactions. If we are unable to address these risks and challenges effectively, our international operations may not be successful and our business could be harmed.

We are subject to anti-bribery, anti-corruption, and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act, as well as export control laws, customs laws, sanctions laws and other laws governing our operations. If we fail to comply with these laws, we could be subject to civil or criminal penalties, other remedial measures and legal expenses, which could adversely affect our business, results of operations and financial condition.

As we grow our international presence and global operations, we will be increasingly exposed to trade and economic sanctions and other restrictions imposed by the United States, EU, and other governments and organizations. The U.S. Departments of Justice, Commerce, State and Treasury and other federal agencies and authorities have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for violations of economic sanctions laws, export control laws, the U.S. Foreign Corrupt Practices Act, or the FCPA, and other federal statutes and regulations, including those established by the Office of Foreign Assets Control, or OFAC. In addition, the U.K. Bribery Act of 2010, or the Bribery Act, prohibits both domestic and international bribery, as well as bribery across both private and public sectors. An organization that "fails to prevent bribery" by anyone associated with the organization can be charged under the Bribery Act unless the organization can establish the defense of having implemented "adequate procedures" to prevent bribery. Under these laws and regulations, as well as other anti-corruption laws, anti-money laundering laws, export control laws, customs laws, sanctions laws and other laws governing our operations, various government agencies may require export licenses, may seek to impose modifications to business practices, including cessation of business activities in sanctioned countries or with sanctioned persons or entities and modifications to compliance programs, which may increase compliance costs, and may subject us to fines, penalties and other sanctions. A violation of these laws or regulations would negatively affect our business, financial condition and results of operations.

We are in the process of implementing policies and procedures designed to ensure compliance by us and our directors, officers, employees, representatives, consultants and agents with the FCPA, OFAC restrictions, the Bribery Act and other export control, anti-corruption, anti-money-laundering and anti-terrorism laws and regulations. Our policies and procedures may not be sufficient to ensure that our directors, officers, employees, representatives, consultants and agents have not engaged and will not engage in conduct for which we may be held responsible, or that our business partners have not engaged and will not engage in conduct that could materially affect their ability to perform their contractual obligations to us or even result in our being held liable for such conduct. Violations of the FCPA, OFAC restrictions, the Bribery Act or other export control, anti-corruption, anti-money laundering and anti-terrorism laws or regulations may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could have a material adverse effect on our business, financial condition and results of operations.

Our ability to use our net operating losses and research and development credit carryforwards to offset future taxable income may be subject to certain limitations.

In general, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an "ownership change," generally defined as a greater than 50% change by value in its equity ownership over a three-year period, is subject to limitations on its ability to utilize its pre-change net operating losses, or NOLs, and its research and development credit carryforwards to offset future taxable income. Our existing NOLs and research and development credit carryforwards may be subject to limitations arising from previous ownership changes, and if we undergo an ownership change, our ability to utilize NOLs and research

and development credit carryforwards could be further limited by Sections 382 and 383 of the Code. In addition, our ability to deduct net interest expense may be limited if we have insufficient taxable income for the year during which the interest is incurred, and any carryovers of such disallowed interest would be subject to the limitation rules similar to those applicable to NOLs and other attributes. Future changes in our stock ownership, some of which might be beyond our control, could result in an ownership change under Section 382 of the Code. For these reasons, in the event we experience a change of control, we may not be able to utilize a material portion of the NOLs, research and development credit carryforwards or disallowed interest expense carryovers, even if we attain profitability.

U.S. federal income tax reform could adversely affect us or our stockholders.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017, or the TCJA, was signed into law, significantly reforming the Code. The TCJA, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest, allows for the expensing of capital expenditures, puts into effect the migration from a "worldwide" system of taxation to a territorial system and modifies or repeals many business deductions and credits. We continue to examine the impact the TCJA may have on our business. We are in the process of evaluating the effect of the TCJA on our projection of minimal cash taxes or to our net operating losses. The estimated impact of the TCJA is based on our management's current knowledge and assumptions and recognized impacts could be materially different from current estimates based on our actual results and our further analysis of the new law. The impact of the TCJA on holders of our common stock remains uncertain and could be adverse. There remains significant uncertainty as to the impact of the TCJA on us and on any investment in our common stock. We urge the purchasers of our common stock in this offering to consult with their legal and tax advisors with respect to such legislation and the potential tax consequences of investing in our common stock.

Risks Related to Government Regulation

Our r-SNM System and operations are subject to extensive government regulation and oversight both in the United States and internationally, and our failure to comply with applicable requirements could harm our business.

We and our r-SNM System are subject to extensive, complex, costly and evolving regulation in the United States, the EU, Canada and other countries, including by the FDA and its foreign counterparts. With respect to medical devices, the FDA and foreign regulatory agencies regulate, among other things, design, development and manufacturing, testing, labeling, content and language of instructions for use and storage, clinical studies, product safety, establishment registration and device listing, marketing, sales and distribution, pre-market clearance and approval, record keeping procedures, advertising and promotion, recalls and field safety corrective actions, post-market surveillance, including reporting of deaths or serious injuries and malfunctions that, if they were to recur, could lead to death or serious injury, post-market approval studies, and product import and export.

The regulations to which we are subject are complex and have become more stringent over time. Regulatory changes could result in restrictions on our ability to carry on or expand our operations, higher than anticipated costs or lower than anticipated sales. Our failure to comply with all applicable regulations could jeopardize our ability to sell our r-SNM System and result in enforcement actions such as warning letters, fines, injunctions, civil penalties, termination of distribution, recalls or seizures of products, delays in the introduction of products into the market, total or partial suspension of production, refusal to grant clearances or approvals, withdrawals or suspensions of approvals, prohibitions on sales of our r-SNM System, and in the most serious cases, criminal penalties.

In the event our r-SNM System receives regulatory approval in the United States, we will remain subject to the periodic scheduled or unscheduled inspection of our facilities, review of production processes, and testing

of our r-SNM System to confirm that we are in compliance with all applicable regulations. Adverse findings during regulatory inspections may result in costly remediation efforts, requirements that we complete government mandated clinical studies or government enforcement actions.

If we experience delays in obtaining approval or if we fail to obtain approval of our r-SNM System or expanded indications, the commercial prospects for our r-SNM System may be harmed and our ability to generate revenue will be materially impaired.

We may not receive the necessary clearances or approvals for our r-SNM System or expanded indications, and failure to timely obtain necessary clearances or approvals for our r-SNM System or expanded indications would adversely affect our ability to grow our business.

As an active-implantable device, our r-SNM System is subject to the most stringent degree of medical device regulation. The research, testing, manufacturing, labeling, approval, selling, import, export, marketing and distribution of medical device products are subject to extensive regulation by the FDA and other regulatory authorities in the United States and other countries, with regulations differing from country to country. In the process of obtaining PMA approval, which is required for our r-SNM System, the FDA must determine that a proposed device is safe and effective for its intended use based in part on extensive data, including, but not limited to, technical, pre-clinical, clinical trial, manufacturing and labeling data. The PMA process is typically required for devices that are deemed to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices. In addition, if we were to pursue regulatory approvals for additional indications for our r-SNM System, we would be required to conduct additional clinical studies or pre-clinical studies to support such indications, which would be time-consuming and expensive, and may produce results that do not support such regulatory approvals.

Modifications to products that are approved through a PMA application generally require FDA approval. In addition, a PMA generally requires the performance of one or more clinical studies. Despite the time, effort and cost, a device may not be approved or cleared by the FDA. Typically, the PMA review process can take from six to 18 months, with the duration depending on a variety of factors.

In 2016, our r-SNM System received regulatory approval in Europe and Canada, and in 2018 in Australia, for the treatment of OAB, FI, and UR. We have not obtained regulatory approval of our r-SNM System in the United States. In 2017, the FDA granted us an IDE allowing us to conduct a pivotal study designed to demonstrate the safety and effectiveness of our r-SNM System for the treatment of UUI in order to obtain FDA approval in the United States through the PMA pathway. Any delay or failure to obtain necessary regulatory approvals for our r-SNM System could harm our business. Furthermore, even if we are granted regulatory approvals, they may include significant limitations on the indicated use for our r-SNM System, which may limit the market for the device.

If our r-SNM System is approved in the United States through the PMA pathway, any modification to or additional indications for our r-SNM System that were not previously approved may require us to submit an additional PMA or PMA supplement and obtain FDA approval prior to implementing the change. If the FDA requires us to go through a lengthier, more rigorous examination, make modifications to the device, generate additional data to submit to the FDA or additional indications for approved products than we had expected, product introductions or modifications could be delayed or canceled, which could adversely affect our ability to grow our business.

The FDA can delay, limit or deny clearance or approval of a device for many reasons, including:

- our inability to demonstrate to the satisfaction of the FDA or the applicable regulatory entity or notified body that our r-SNM System is safe or effective for its intended uses;

- the disagreement of the FDA or the applicable foreign regulatory body with the design or implementation of our clinical studies or the interpretation of data from pre-clinical studies or clinical studies;
- serious and unexpected adverse device effects experienced by participants in our clinical studies;
- the data from our pre-clinical studies and clinical studies may be insufficient to support clearance or approval, where required;
- our inability to demonstrate that the clinical and other benefits of the device outweigh the risks;
- the manufacturing process or facilities we use may not meet applicable requirements; and
- the potential for approval policies or regulations of the FDA or applicable foreign regulatory bodies to change significantly in a manner rendering our clinical data or regulatory filings insufficient for clearance or approval.

For example, as part of the IDE approval process for our ARTISAN-SNM pivotal study, the FDA recommended that we should make several modifications to the study design in order for the study to serve as the primary clinical support for a future marketing approval. Specifically, despite our responses and supporting documentation that we submitted in support of our study design, the FDA reiterated its previously expressed recommendations that we make the following modifications to our ARTISAN-SNM pivotal study:

- exclude patients with MUI;
- use either a seven-day bladder diary or two separate three-day bladder diaries;
- use a 12-month primary effectiveness endpoint in order to account for the placebo effect and enable assessment of durability of the treatment effect;
- use all patients in whom an implant is attempted, not initial responders after one month, for primary efficacy analysis;
- use multiple imputation to account for missing primary endpoint data;
- revise the protocol to include details on statistical analysis methods for analyzing the primary and secondary endpoints, analysis population, method for handling missing endpoint data and sensitivities and poolability analyses;
- use a two-sided 95% confidence interval; and
- provide further justification for restarting with a new activation date after a lead issue.

In response, we have engaged with the FDA regarding its recommendation, including our latest IDE supplement, which we submitted to the FDA in September 2018 to address certain of its recommendations. As a result, we incorporated a number of recommended study modifications. However, to date we elected not to incorporate several of the recommended modifications based on what we believe are currently accepted urology practice guidelines and the design of previous OAB clinical studies accepted by the FDA. We believe certain of these modifications would have resulted in a study design that increased study site and patient burdens, decreased the feasibility of enrollment or were not clearly supported by available peer-reviewed literature or currently accepted urology practice guidelines. At this point in the study, some of the FDA's recommendations cannot be implemented. For example, we cannot exclude patients with MUI and we cannot change the three-day bladder

diaries taken at baseline to seven-day bladder diaries. We are still waiting for a response from the FDA as to whether the study modifications we implemented appropriately address their recommendations with respect to the elements covered by that supplement. See "Business—Our Clinical Results and Studies—ARTISAN-SNM Pivotal Study" for more information.

Although we have not modified the ARTISAN-SNM pivotal study design to address all of the above considerations that the FDA has reiterated, based on the preliminary study results to date, and assuming sufficiently strong study results at six months and beyond, we believe we will be able to provide the FDA with reasonable assurance of the safety and effectiveness of our r-SNM system to support its marketing approval. However, it is possible that the results will not be sufficiently strong or that, in part due to its concerns with our study design, the FDA will not accept the data as reasonable assurance of safety and effectiveness, which would materially and adversely affect our ability to obtain marketing approval of our r-SNM System. If we intend to modify the study design to address any of the above FDA considerations that we have not already addressed, we will be required to obtain FDA approval of an IDE supplement before implementing the changes, which could result in significant delays. The approval requirements for an IDE supplement are generally the same as an original IDE, and they are approved if the FDA does not object within 30 days. We would also be required to get IRB approval of the protocol changes if the changes involve the rights, safety, or welfare of the patients, and some investigators may determine that local rules require additional approvals from a local IRB.

The FDA stated its belief that additional modifications were needed for our study design to support marketing approval, and recommended, but did not require, that we modify our study to address the issues described above. Incorporating such modifications may be costly or not possible at this point in the ongoing clinical study or lead to delays in obtaining approval from the FDA, which may be significant and adversely and materially affect our ability to successfully commercialize our r-SNM System. Further, even if we make changes to the study design to address these considerations, the FDA may not approve our r-SNM System.

In addition to our anticipated submission of a PMA based on data from the IDE process, on January 9, 2018, we also submitted to the FDA a premarket approval application, which we refer to as the "literature-based PMA," in which equivalence to an already FDA approved product is claimed based on the review of technical specifications, published clinical studies, and other information. In our filing, we are claiming equivalence to the only FDA approved SNM device, InterStim II. On May 9, 2018, the FDA responded and requested that we submit additional information to demonstrate that our r-SNM device is sufficiently similar to the InterStim II device referenced in the literature to be able to determine safety and effectiveness from the literature. The FDA's response also asked us to address a number of other matters, including those related to the electrical safety, electromagnetic compatibility and wireless technology, biocompatibility, and our pre-clinical studies. We have not yet responded to the FDA. We have until November 5, 2018 to provide a substantive response, voluntarily withdraw this literature-based PMA, request an extension, which would extend our response period by up to 180 days, or to proceed with FDA completing its review of the submission without additional information from us. We are currently evaluating our options with respect to this application, including the merits of pursuing it.

In addition, the FDA may change its clearance and approval policies, adopt additional regulations or revise existing regulations, or take other actions, which may prevent or delay approval of our r-SNM System or impact our ability to modify or seek additional indications for our r-SNM System on a timely basis. Such policy or regulatory changes could impose additional requirements upon us that could delay our ability to obtain approvals, increase the costs of compliance or restrict our ability to maintain approvals once obtained. For example, as part of the Food and Drug Administration Safety and Innovation Act, or FDASIA, enacted in 2012, and the FDA Reauthorization Act, enacted in 2017, Congress reauthorized the Medical Device User Fee Amendments with various FDA performance goal commitments and enacted several "Medical Device Regulatory Improvements" and miscellaneous reforms, which are further intended to clarify and improve medical device regulation both pre- and post-clearance and approval. Some of these proposals and reforms could impose additional regulatory requirements upon us that could delay our ability to obtain approvals, increase the costs of compliance or restrict our ability to maintain approvals once obtained.

In order to sell our r-SNM System in member countries of the European Economic Area, or EEA (which is composed of the 28 Member States of the EU plus Norway, Iceland and Liechtenstein), it must comply with the essential requirements of the EU Active Implantable Medical Devices Directive (Council Directive 90/385/EEC), or the AIMD Directive. If any future product candidates are also considered to qualify as an active implantable medical device, or AIMD, under the AIMD Directive, it too will need to comply with the essential requirements it sets out. Alternatively, if a future product candidate is not considered an AIMD under the AIMD Directive, it will still be required to comply with the essential requirements of the EU Medical Devices Directive (Council Directive 93/42/EEC). The Medical Devices Regulations (Regulation 2017/745) are also now in force, as further discussed below.

Compliance with the requirements under either of these Directives and confirmation by a Notifiable Body that this is the case is a prerequisite to be able to affix the Conformité Européene, or CE, mark to our r-SNM System and any future product candidates. Without a CE mark, medical devices cannot be sold or marketed in the EEA. To demonstrate that our r-SNM System is compliant with the essential requirements set out under the AIMD Directive, we must undergo a conformity assessment procedure. This requires an assessment of available clinical evidence, literature data for the product and post-market experience in respect of similar products already marketed to ensure and declare that the products in question comply with the standards set out in Annex I of the AIMD Directive. In addition, a conformity assessment procedure requires the intervention of a Notified Body. Notified Bodies are separate entities that are authorized or licensed to perform such assessments by the governmental authorities of each EU Member State. Manufacturers of AIMDs must make an application to a Notified Body for an assessment of its technical dossiers and quality system. Alternatively, manufacturers can seek approval from the Notified Body that a representative sample of the products it has manufactured satisfies the requirements set out in the AIMD Directive and subsequently ensure and declare that all of its products conform to the standard of the approved sample. This is also known as “type approval.”

Future product candidates that are not considered AIMDs under the AIMD Directive will still require a conformity assessment procedure. The types of procedures required are set out in the Medical Devices Directive and will vary according to the type of medical device and its classification. For low-risk medical devices (Class I non-sterile, non-measuring devices) the manufacturer can issue a Declaration of Conformity based on a self-assessment of the conformity of its products with the essential requirements of the EU Medical Devices Directive. However, for all other types of medical devices a similar conformity assessment procedure to that outlined above and in the AIMD Directive will be required, also involving the intervention of a Notified Body.

For our r-SNM System, future AIMD product candidates and all other future product candidates, the Notified Body issues a certificate of conformity following successful completion of a conformity assessment procedure conducted in relation to the device and its manufacturer and their conformity with the essential requirements. This certificate entitles the manufacturer to affix the CE mark to its medical devices after having prepared and signed a related EC Declaration of Conformity.

As a general rule, demonstration of conformity of medical devices and their manufacturers with the essential requirements must be based, among other things, on the evaluation of clinical data supporting the safety and performance of the products during normal conditions of use. Specifically, a manufacturer must demonstrate that the device achieves its intended performance during normal conditions of use, that the known and foreseeable risks, and any adverse events, are minimized and acceptable when weighed against the benefits of its intended performance, and that any claims made about the performance and safety of the device are supported by suitable evidence. If we fail to remain in compliance with the applicable Directives outlined above, we would be unable to continue to affix the CE mark to our r-SNM System or our external trial system, which would prevent us from selling it within the EEA.

Modifications to our r-SNM System may require us to obtain new PMA approvals or approvals of a PMA supplement, and if we market modified products without obtaining necessary approvals, we may be required to cease marketing or recall the modified products until required approvals are obtained.

Certain modifications to a PMA-approved device may require approval of a new PMA or a PMA supplement, or alternatively a notification or other submission to FDA. We will be responsible for deciding whether a modification requires approval by the FDA. However, the FDA may not agree with our decisions regarding whether a new PMA or PMA supplement is necessary. We may make modifications to our r-SNM System that we believe do not require approval of a new PMA or PMA supplement. If the FDA disagrees with our determination and requires us to submit a new PMA or PMA supplement for modifications to previously approved products, we may be required to cease marketing or to recall the modified product until we obtain approval, and we may be subject to significant regulatory fines or penalties. Any delay or failure in obtaining required approvals would adversely affect our ability to introduce enhanced products in a timely manner, which in turn would harm our future growth.

The misuse or off-label use of our r-SNM System, if approved by the FDA, may harm our reputation in the marketplace, result in injuries that lead to product liability suits or result in costly investigations, fines or sanctions by regulatory bodies if we are deemed to have engaged in the promotion of these uses, any of which could be costly to our business.

The FDA and other regulatory agencies strictly regulate the marketing and promotional claims that are made about approved medical devices, such as our r-SNM System, if approved by the FDA. In particular, a product may not be promoted for uses or indications that are not approved by the FDA or other similar regulatory authorities as reflected in the product's approved labeling. If we receive approval for our r-SNM System in the United States for the treatment of UUI, physicians could use our r-SNM System on their patients in a manner that is inconsistent with the approved label, including the treatment of other indications. If approved, we will train our marketing personnel and sales representatives to not promote our r-SNM System for uses outside of FDA-approved indications for use, known as "off-label uses." We cannot, however, prevent a physician from using our r-SNM System off-label when in the physician's independent professional medical judgment he or she deems it appropriate. There may be increased risk of injury to patients if physicians attempt to use our r-SNM System off-label. Furthermore, the use of our r-SNM System for indications other than those that may be approved by the FDA or approved by any foreign regulatory body may not effectively treat such conditions, which could harm our reputation in the marketplace among physicians and patients. In addition, physicians have experience using the Medtronic system, which is approved for several indications, including UUI, UUF, FI, and UR. If physicians adopt our r-SNM System, for which we have not pursued regulatory approval in the United States for indications other than for the treatment of UUI, physicians could use our r-SNM System off-label for additional unapproved indications based in part on their familiarity with the Medtronic system.

If the FDA or any foreign regulatory body determines that our promotional materials or training constitute promotion of an off-label use, it could request that we modify our training or promotional materials or subject us to regulatory or enforcement actions, including the issuance or imposition of a warning letter, an untitled letter, which is used for violators that do not necessitate a warning letter, injunction, seizure, civil fine or criminal penalties. It is also possible that other federal, state or foreign enforcement authorities might take action under other regulatory authority, such as false claims laws, if they consider our business activities to constitute promotion of an off-label use, which could result in significant penalties, including, but not limited to, criminal, civil and administrative penalties, damages (including treble damages), fines, disgorgement, exclusion from participation in government healthcare programs and the curtailment of our operations.

In addition, physicians may misuse our r-SNM System or use improper techniques, potentially leading to adverse results, side effects or injury, which may lead to an increased risk of product liability claims. If our r-SNM System is approved, and subsequently misused or used with improper techniques or is determined to cause or contribute to patient harm, we may become subject to costly litigation by our customers or patients.

Product liability claims could divert management's attention from the commercialization of our r-SNM System, be expensive to defend, result in sizeable damage awards against us that may not be covered by insurance, and subject us to negative publicity resulting in reduced sales of our r-SNM System.

The clinical study process required to obtain regulatory approvals is lengthy and expensive with uncertain outcomes. If clinical studies of our r-SNM System do not produce results necessary to support regulatory clearance or approval in the United States or elsewhere, we will be unable to gain regulatory approval for, expand the indications for or commercialize our r-SNM System and may incur additional costs or experience delays in completing, or ultimately be unable to complete, the commercialization of our r-SNM System.

To date, we have not obtained PMA approval for our r-SNM System. In order to obtain PMA approval for a device, the sponsor must meet the regulatory submission requirements of the FDA, which in many cases may require a PMA applicant to conduct well-controlled clinical studies designed to assess the safety and effectiveness of the product. Conducting clinical studies is a complex and expensive process, can take many years, and outcomes are inherently uncertain. We incur substantial expense for, and devote significant time to, clinical studies but cannot be certain that the trials will ever result in commercial revenue. We may experience significant setbacks in clinical studies, even after earlier clinical studies showed promising results, and failure can occur at any time during the clinical study process. Any of our products, including our r-SNM System, could malfunction or produce undesirable adverse effects that could cause us or regulatory authorities to interrupt, delay or halt clinical studies. We, the FDA, or another regulatory authority may suspend or terminate clinical studies at any time to avoid exposing trial participants to unacceptable health risks.

We completed enrollment of our ARTISAN-SNM pivotal study in June 2018 in support of our PMA for our r-SNM System. We expect to submit our PMA application to the FDA for UUI, a predominant OAB subtype, during the first quarter of 2019. If this study produces unfavorable results or the FDA requires additional data, we may have to conduct additional clinical studies, which would be costly and time-consuming, and our business would be adversely affected.

As discussed above, as part of the IDE approval process for our ARTISAN-SNM pivotal study, despite our responses and supporting documentation that we submitted in support of our study design, the FDA reiterated its previously expressed recommendations that we should make several modifications to the study design in order for the study to serve as the clinical support for a future marketing approval.

In response, we have engaged with the FDA regarding its recommendation, including our latest IDE supplement, which we submitted to the FDA in September 2018 to address certain of its recommendations. As a result, we incorporated a number of recommended study modifications. However, to date we elected not to incorporate several of the recommended modifications based on what we believe are currently accepted urology practice guidelines and the design of previous OAB clinical studies accepted by the FDA. We believe certain of these modifications would have resulted in a study design that increased study site and patient burdens, decreased the feasibility of enrollment or were not clearly supported by available peer-reviewed literature or currently accepted urology practice guidelines. At this point in the study, some of the FDA's recommendations cannot be implemented. For example, we cannot exclude patients with MUI and we cannot change the three-day bladder diaries taken at baseline to seven-day bladder diaries. We are still waiting for a response from the FDA as to whether the study modifications we implemented appropriately address their recommendations with respect to the elements covered by that supplement. See "Business—Our Clinical Results and Studies—ARTISAN-SNM Pivotal Study" for more information.

Although we have not modified the ARTISAN-SNM pivotal study design to address all of its reiterated considerations with the FDA, based on the preliminary study results to date, and assuming sufficiently strong study results at six months and beyond, we believe we will be able to provide the FDA with reasonable assurance of the safety and effectiveness of our r-SNM system to support its marketing approval. However, it is possible

that the results will not be sufficiently strong or that, in part due to its concerns with our study design, the FDA will not accept the data as reasonable assurance of safety and effectiveness, which would materially and adversely affect our ability to obtain marketing approval of our r-SNM System. If we intend to modify the study design to address those FDA considerations that we have not already addressed, we will be required to obtain FDA approval of an IDE supplement before implementing the changes, which could result in significant delays. The approval requirements for an IDE supplement are generally the same as an original IDE, and they are approved if the FDA does not object within 30 days. We would also be required to get IRB approval of the protocol changes if the changes involve the rights, safety, or welfare of the patients, and some investigators may determine that local rules require additional approvals from a local IRB.

In addition to our anticipated submission of a PMA based on data from the IDE process, on January 9, 2018, we also submitted to the FDA a premarket approval application, which we refer to as the "literature-based PMA," in which equivalence to an already FDA approved product is claimed based on the review of technical specifications, published clinical studies, and other information. In our filing, we are claiming equivalence to the only FDA approved SNM device, InterStim II. On May 9, 2018, the FDA responded and requested that we submit additional information to demonstrate that our r-SNM device is sufficiently similar to the InterStim II device referenced in the literature to be able to determine safety and effectiveness from the literature. The FDA's response also asked us to address a number of other matters, including those related to the electrical safety, electromagnetic compatibility and wireless technology, biocompatibility, and our pre-clinical studies. We have not yet responded to the FDA. We have until November 5, 2018 to provide a substantive response, voluntarily withdraw this literature-based PMA, request an extension, which would extend our response period by up to 180 days, or to proceed with FDA completing its review of the submission without additional information from us. We are currently evaluating our options with respect to this application, including the merits of pursuing it.

The FDA stated its belief that additional modifications were needed for our study design to support marketing approval, and recommended, but did not require, that we modify our study to address the issues previously described. Incorporating such modifications may be costly or not possible at this point in the ongoing clinical study or lead to delays in obtaining approval from the FDA, which may be significant and adversely and materially affect our ability to successfully commercialize our r-SNM System. Further, even if we make changes to the study design to address these considerations, the FDA may not approve our r-SNM System.

Successful results of pre-clinical studies are not necessarily indicative of future clinical study results, and predecessor clinical study results may not be replicated in subsequent clinical studies. Additionally, the FDA may disagree with our interpretation of the data from our pre-clinical studies and clinical studies, or may find the clinical study design, conduct or results inadequate to prove safety or efficacy, and may require us to pursue additional pre-clinical studies or clinical studies, which could further delay the clearance or approval of our r-SNM System. The data we collect from our pre-clinical studies and clinical studies may not be sufficient to support FDA clearance or approval, and if we are unable to demonstrate the safety and effectiveness of our r-SNM System in our clinical studies, we will be unable to obtain regulatory clearance or approval to market our r-SNM System.

In addition, we may estimate and publicly announce the anticipated timing of the accomplishment of various clinical, regulatory and other product development goals, which are often referred to as milestones. These milestones could include obtaining the right to affix the CE mark to certain products in the EU, submitting an IDE to the FDA, applying to commence a pivotal clinical study for a new product, enrolling patients in clinical studies, releasing data from clinical studies, and other clinical and regulatory events. The actual timing of these milestones could vary dramatically compared to our estimates and public announcements, in some cases for reasons beyond our control. We may not meet our projected milestones and if we do not meet these milestones as publicly announced, the commercialization of our r-SNM System may be delayed and, as a result, our stock price may decline.

Clinical studies are necessary to support PMA applications and may be necessary to support PMA supplements for modified versions of, or additional indications for, our r-SNM System. This would require the

enrollment of large numbers of suitable subjects, which may be difficult to identify, recruit and maintain as participants in the clinical trial. Adverse outcomes in the post-approval studies could also result in restrictions or withdrawal of approval of a PMA. We will likely need to conduct additional clinical studies in the future to support new indications for our r-SNM System or for approvals or clearances, or for the approval of the use of our r-SNM System in some foreign countries. Clinical testing is difficult to design and implement, can take many years, can be expensive, and, testing carries uncertain outcomes. The initiation and completion of any of these studies may be prevented, delayed, or halted for numerous reasons. We may experience a number of events that could adversely affect the costs, timing or successful completion of our clinical studies, including:

- we may be required to submit an IDE application to FDA, which must become effective prior to commencing human clinical studies, and the FDA may reject our IDE application and notify us that we may not begin investigational trials;
- regulators and other comparable foreign regulatory authorities may disagree as to the design or implementation of our clinical studies;
- regulators and/or IRBs, or other reviewing bodies may not authorize us or our investigators to commence a clinical trial, or to conduct or continue a clinical study at a prospective or specific trial site;
- we may not reach agreements with prospective contract research organizations, or CROs, and clinical study sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- clinical studies may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical studies or abandon product development programs;
- the number of subjects or patients required for clinical studies may be larger than we anticipate, enrollment in these clinical studies may be insufficient or slower than we anticipate, and the number of clinical studies being conducted at any given time may be high and result in fewer available patients for any given clinical trial, or patients may drop out of these clinical studies at a higher rate than we anticipate;
- our third-party manufacturers, including those conducting clinical studies on our behalf, may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- we might have to suspend or terminate clinical studies for various reasons, including a finding that the subjects are being exposed to unacceptable health risks;
- we may have to amend clinical study protocols or conduct additional studies to reflect changes in regulatory requirements or guidance, which we may be required to submit to an IRB and/or regulatory authorities for re-examination;
- regulators or other parties may require or recommend that we or our investigators suspend or terminate clinical research for various reasons, including safety signals or noncompliance with regulatory requirements;
- the cost of clinical studies may be greater than we anticipate;
- clinical sites may not adhere to the clinical protocol or may drop out of a clinical trial;
- we may be unable to recruit a sufficient number of clinical study sites;

- regulators, IRBs, or other reviewing bodies may fail to approve or subsequently find fault with the manufacturing processes or facilities of third-party manufacturers or suppliers of materials for our clinical studies, the materials necessary to conduct clinical studies may be insufficient, inadequate or not available at an acceptable cost, or we may experience interruptions in supply;

- approval policies or regulations of FDA or applicable foreign regulatory agencies may change in a manner rendering our clinical data insufficient for approval; and

- our r-SNM System may have undesirable side effects or other unexpected characteristics.

Patient enrollment in clinical studies and completion of patient follow-up depend on many factors, including the size of the patient population, the nature of the trial protocol, the proximity of patients to clinical sites, the eligibility criteria for the clinical trial, patient compliance, competing clinical studies and clinicians' and patients' perceptions as to the potential advantages of the product being studied in relation to other available therapies, including any new treatments that may be approved for the indications we are investigating. For example, patients may be discouraged from enrolling in our clinical studies if the trial protocol requires them to undergo extensive post-treatment procedures or follow-up to assess the safety and effectiveness of a product, or they may be persuaded to participate in contemporaneous clinical studies of a competitor's product. In addition, patients participating in our clinical studies may drop out before completion of the trial or experience adverse medical events unrelated to our r-SNM System. Delays in patient enrollment or failure of patients to continue to participate in a clinical study may delay commencement or completion of the clinical trial, cause an increase in the costs of the clinical trial, or result in the failure of the clinical trial.

Clinical studies must be conducted in accordance with the laws and regulations of the FDA and other applicable regulatory authorities' legal requirements, regulations or guidelines, and are subject to oversight by these governmental agencies and IRBs at the medical institutions where the clinical studies are conducted. In addition, clinical studies must be conducted with supplies of our product produced under cGMP requirements and other regulations. Furthermore, we rely on clinical study sites to ensure the proper and timely conduct of our clinical studies and we have limited influence over their performance. We depend on our collaborators and on medical institutions and employees to conduct our clinical studies in compliance with good clinical practice, or GCP, requirements. If our collaborators fail to enroll participants for our clinical studies, fail to conduct the study to GCP standards or are delayed for a significant time in the execution of trials, including achieving full enrollment, we may be affected by increased costs, program delays or both. In addition, clinical studies that are conducted in countries outside the United States may result in additional delays and expenses due to increased shipment costs, additional regulatory requirements and the engagement of non-U.S. resources, and may expose us to risks associated with clinical investigators who are unknown to the FDA, and different standards of diagnosis, screening and medical care.

Failure can occur at any stage of clinical testing. Our clinical studies may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical and non-clinical testing in addition to those we have planned. Our failure to adequately demonstrate the safety and effectiveness of our r-SNM System or any product we may develop in the future would prevent receipt of regulatory clearance or approval and, ultimately, the commercialization of the product or indication for use. Even if our r-SNM System is cleared or approved in the United States, commercialization of our r-SNM System in foreign countries requires approval by regulatory authorities in those countries. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and greater than, those in the United States, including additional preclinical studies or clinical studies. Any of these occurrences could have an adverse effect on our business, financial condition and results of operations.

If our r-SNM System is approved by the FDA, failure to comply with post-marketing regulatory requirements could subject us to enforcement actions, including substantial penalties, and might require us to recall or withdraw our r-SNM System from the market.

If we obtain FDA approval for our r-SNM System, we will be subject to ongoing and pervasive regulatory requirements governing, among other things, the manufacture, marketing, advertising, medical device reporting, sale, promotion, registration, and listing of our r-SNM System. For example, if our r-SNM System is approved, we will be required to submit periodic reports to the FDA as a condition of PMA approval. These reports include safety and effectiveness information about the device after its approval. Failure to submit such reports, or failure to submit the reports in a timely manner, could result in enforcement action by the FDA. Following its review of the periodic reports, the FDA might ask for additional information or initiate further investigation.

In addition, in order to obtain PMA approval for our r-SNM System, we may be to subject to several conditions of approval, including a post-market long-term study and extended follow-up of the pre-market study cohort. Any failure to comply with the conditions of approval could result in the failure to obtain PMA approval or delay or withdrawal of PMA approval and the inability to market the device. Failure to conduct the required studies in accordance with IRB and informed consent requirements, or adverse findings in these studies, could also be grounds for failure to obtain PMA approval or delay or withdrawal of PMA approval.

Regulatory changes could result in restrictions on our ability to continue or expand our operations, higher than anticipated costs, or lower than anticipated sales. Even if we obtain the proper regulatory approval to market our r-SNM System, we will have ongoing responsibilities under FDA regulations and applicable foreign laws and regulations. The FDA, state and foreign regulatory authorities have broad enforcement powers. Our failure to comply with applicable regulatory requirements could result in enforcement action by the FDA, state or foreign regulatory authorities, which may include any of the following sanctions:

- untitled letters or warning letters;
- fines, injunctions, consent decrees and civil penalties;
- recalls, termination of distribution, administrative detention, or seizure of our r-SNM System;
- customer notifications or repair, replacement or refunds;
- operating restrictions or partial suspension or total shutdown of production;
- delays in or refusal to grant our request for PMA approval of our r-SNM System and any future PMA approvals or foreign regulatory approvals of future product candidates, new intended uses, or modifications to our existing product;
- withdrawals or suspensions of PMAs or foreign regulatory approvals, resulting in prohibitions on sales of our r-SNM System;
- FDA refusal to issue certificates to foreign governments needed to export products for sale in other countries; and
- criminal prosecution.

Any of these sanctions could result in higher than anticipated costs or lower than anticipated sales and have a material adverse effect on our reputation, business, financial condition and results of operations.

Our r-SNM System must be manufactured in accordance with federal and state regulations, and we or any of our suppliers or third-party manufacturers could be forced to recall our r-SNM System or terminate production if we fail to comply with these regulations.

The methods used in, and the facilities used for, the manufacture of our r-SNM System must comply with the FDA's Quality System Regulation, or QSR, which is a complex regulatory scheme that covers the procedures and documentation of the design, testing, production, process controls, quality assurance, labeling, packaging, handling, storage, distribution, installation, servicing and shipping of medical devices. Furthermore, we are required to verify that our suppliers maintain facilities, procedures and operations that comply with our quality standards and applicable regulatory requirements. The FDA enforces the QSR through periodic announced or unannounced inspections of medical device manufacturing facilities, which may include the facilities of subcontractors. Our r-SNM System will also be subject to similar state regulations and various laws and regulations of foreign countries governing manufacturing.

Our third-party manufacturers may not take the necessary steps to comply with applicable regulations, which could cause delays in the delivery of our r-SNM System, if approved. In addition, failure to comply with applicable FDA requirements or later discovery of previously unknown problems with the manufacturing processes for our r-SNM System could result in, among other things: warning letters or untitled letters, fines, injunctions or civil penalties, suspension or withdrawal of approvals, seizures or recalls of our r-SNM System, total or partial suspension of production or distribution, administrative or judicially imposed sanctions, the FDA's refusal to grant pending or future clearances or approvals for our product, clinical holds, refusal to permit the import or export of our r-SNM System, and criminal prosecution of us or our employees. Any of these actions could significantly and negatively affect supply of our r-SNM System. If any of these events occurs, our reputation could be harmed, we could be exposed to product liability claims and we could lose customers and experience reduced sales and increased costs.

If our r-SNM System is approved by the FDA and treatment guidelines for OAB subtype UUI later change or the standard of care evolves, we may need to redesign and seek new a marketing authorization from the FDA for our r-SNM System.

If our r-SNM System is approved by the FDA for OAB subtype UUI and treatment guidelines for UUI change or the standard of care evolves, we may need to redesign our r-SNM System, or any future product, and seek new approvals from the FDA. PMA approvals from the FDA are based on current treatment guidelines at the time of the approvals. If treatment guidelines change so that different treatments become desirable, the clinical utility of our r-SNM System could be diminished and our business could be adversely affected.

If approved, our r-SNM System may cause or contribute to adverse medical events or be subject to failures or malfunctions that we are required to report to the FDA, and if we fail to do so, we would be subject to sanctions that could harm our reputation, business, financial condition and results of operations. The discovery of serious safety issues with our r-SNM System, or a recall of our r-SNM System, either voluntarily or at the direction of the FDA or another governmental authority, could have a negative impact on us.

If our r-SNM System is approved by the FDA, we will be subject to the FDA's medical device reporting regulations and similar foreign regulations, which will require us to report to the FDA when we receive or become aware of information that reasonably suggests that our r-SNM System may have caused or contributed to a death or serious injury or malfunctioned in a way that, if the malfunction were to recur, it could cause or contribute to a death or serious injury. The timing of our obligation to report is triggered by the date we become aware of the adverse event as well as the nature of the event. We may fail to report adverse events of which we become aware within the prescribed timeframe. We may also fail to recognize that we have become aware of a reportable adverse event, especially if it is not reported to us as an adverse event or if it is an adverse event that is unexpected or removed in time from the use of the product. If we fail to comply with our reporting obligations, the FDA could take action, including warning letters, untitled letters, administrative actions, criminal

prosecution, imposition of civil monetary penalties, revocation of device approvals, seizure of our r-SNM System or delay in clearance or approval of modifications to our r-SNM System.

The FDA and foreign regulatory bodies have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture of a product or in the event that a product poses an unacceptable risk to health. The FDA's authority to require a recall must be based on a finding that there is reasonable probability that our r-SNM System could cause serious injury or death. We may also choose to voluntarily recall our r-SNM System if any material deficiency is found. A government-mandated or voluntary recall by us could occur as a result of an unacceptable risk to health, component failures, malfunctions, manufacturing defects, labeling or design deficiencies, packaging defects or other deficiencies or failures to comply with applicable regulations. Defects or other errors in our r-SNM System may occur in the future. Depending on the corrective action we take to redress deficiencies or defects, the FDA may require, or we may decide, that we will need to obtain new approvals for our r-SNM System before we may market or distribute the corrected device. Seeking such approvals may delay our ability to replace the recalled devices in a timely manner. Moreover, if we do not adequately address problems associated with our r-SNM System, we may face additional regulatory enforcement action, including FDA warning letters, product seizure, injunctions, administrative penalties or civil or criminal fines.

Companies are required to maintain certain records of recalls and corrections, even if they are not reportable to the FDA. We may initiate voluntary withdrawals or corrections for our r-SNM System in the future that we may determine do not require notification of the FDA. If the FDA disagrees with our determinations, it could require us to report those actions as recalls and we may be subject to enforcement action. A future recall announcement could harm our reputation with customers, potentially lead to product liability claims against us and negatively affect our sales. Any corrective action, whether voluntary or involuntary, as well as defending ourselves in a lawsuit, will require the dedication of our time and capital, distract management from operating our business and may harm our reputation and financial results.

Additionally, if we or others identify undesirable side effects, or other previously unknown problems, caused by our r-SNM System after obtaining regulatory approval in the United States or other jurisdictions, a number of potentially negative consequences could result, including:

- regulatory authorities may withdraw their approval of the product;
- regulatory authorities may require a recall of the product or we may voluntarily recall a product;
- regulatory authorities may require the addition of warnings or contraindications in the product labeling, narrowing of the indication in the product label or issuance of field alerts to physicians and pharmacies;
- regulatory authorities may require us to create a guide outlining the risks of such side effects for distribution to patients;
- we may be subject to limitations as to how we promote the product;
- we may be required to change the way the product is administered or modify the product in some other way;
- regulatory authorities may require additional clinical studies or costly post-marketing testing and surveillance to monitor the safety or efficacy of the product;
- sales of the product may decrease significantly;

- we could be sued and held liable for harm caused to patients; and
- our brand and reputation may suffer.

Any of the above events could prevent us from achieving or maintaining market acceptance of our r-SNM System and could substantially increase the costs of commercializing our r-SNM System. The demand for our r-SNM System could also be negatively impacted by any adverse effects of a competitor's product or treatment.

If we do not obtain and maintain international regulatory registrations or approvals for our r-SNM System, we will be unable to market and sell our r-SNM System outside of the United States.

We currently have marketing approvals in Europe, Canada, and Australia for OAB, FI, and UR. We may in the future seek marketing approvals in additional countries but do not have current plans to do so. Sales of our r-SNM System outside of the United States will be subject to foreign regulatory requirements that vary widely from country to country. In addition, the FDA regulates exports of medical devices from the United States. While the regulations of some countries may not impose barriers to marketing and selling our r-SNM System, or only require notification, others require that we obtain the approval of a specified regulatory body. Complying with foreign regulatory requirements, including obtaining additional registrations or approvals, can be expensive and time-consuming, and we may not receive regulatory approvals in each country in which we plan to market our r-SNM System or we may be unable to do so on a timely basis. The time required to obtain registrations or approvals, if required by other countries, may be longer than that required for FDA approval, and requirements for such registrations, clearances or approvals may significantly differ from FDA requirements. If we modify our r-SNM System, we may need to apply for additional regulatory approvals before we are permitted to sell the modified product. In addition, we may not continue to meet the quality and safety standards required to maintain the authorizations that we have received. If we are unable to maintain our authorizations in a particular country, we will no longer be able to sell the applicable product in that country.

Regulatory approval by the FDA does not ensure registration, clearance or approval by regulatory authorities in other countries, and registration, clearance or approval by one or more foreign regulatory authorities does not ensure registration, clearance or approval by regulatory authorities in other foreign countries or by the FDA. However, a failure or delay in obtaining registration or regulatory clearance or approval in one country may have a negative effect on the regulatory process in others.

Legislative or regulatory reforms in the United States or Europe may make it more difficult and costly for us to obtain regulatory clearances or approvals for our r-SNM System, or to manufacture, market or distribute our r-SNM System after clearance or approval is obtained.

From time to time, legislation is drafted and introduced in U.S. Congress that could significantly change the statutory provisions governing the regulation of medical devices. In addition, FDA regulations and guidance are often revised or reinterpreted by the FDA in ways that may significantly affect our business and our r-SNM System. Any new statutes, regulations or revisions or reinterpretations of existing regulations may impose additional costs or lengthen review times of or make it more difficult to obtain approval for, manufacture, market or distribute our r-SNM System. We cannot determine what effect changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted may have on our business in the future. Such changes could, among other things, require: additional testing prior to obtaining clearance or approval for future product candidates, changes to manufacturing methods, recall, replacement or discontinuance of future product candidates, or additional record keeping.

On April 5, 2017, the European Parliament passed the Medical Devices Regulation (Regulation 2017/745), which repeals and replaces the EU Medical Devices Directive and the Active Implantable Medical Devices Directive. The Medical Devices Regulations would be directly applicable and are intended to eliminate

current differences in the regulation of medical devices among EEA member states. The Medical Devices Regulation, among other things, is intended to establish a uniform, transparent, predictable and sustainable regulatory framework across the EEA for medical devices and ensure a high level of safety and health while supporting innovation.

The Medical Devices Regulation will only become applicable after the three-year transition period ends on May 26, 2020. Up until this date, conformity certificates can continue to be issued validly by Notifiable Bodies under the AIMD and Medical Devices Directives. Alternatively, during the three-year transition period, manufacturers can choose to conform with and have their products certified under the Medical Devices Regulations. Certificates of compliance issued pursuant to these Directives prior to May 26, 2020 will continue to be valid for up to a period of four years. However, after May 26, 2020, new products placed on the market may only be certified under the Medical Device Regulations regime. Once applicable, the new regulations will among other things:

- strengthen the rules on placing devices on the market and reinforce surveillance once they are available;
- establish explicit provisions on manufacturers' responsibilities for the follow-up of the quality, performance and safety of devices placed on the market;
- improve the traceability of medical devices throughout the supply chain to the end-user or patient through a unique identification number;
- set up a central database to provide patients, healthcare professionals and the public with comprehensive information on products available in the EU; and
- strengthened rules for the assessment of certain high-risk devices, such as implants, which may have to undergo an additional check by experts before they are placed on the market.

These modifications may have an effect on the way we conduct our business in the EEA.

In addition, the withdrawal of the United Kingdom from the EU, or Brexit, will take effect either on the effective date of the withdrawal agreement or, in the absence of an agreement, two years after the United Kingdom provided its notice of withdrawal. The effects of Brexit will depend on any agreements the United Kingdom makes to retain access to EU markets either during a transitional period or more permanently. Since a significant proportion of the regulatory framework in the United Kingdom is derived from EU directives and regulations, the referendum could materially change the regulatory regime applicable to products approved and sold in the United Kingdom. It is possible that there will be greater restrictions on imports and exports between the United Kingdom and EU countries, increased regulatory complexities, and economic and political uncertainty in the region. Because of the continued uncertainty about the effects, implementation, or potential repeal of Brexit, we cannot quantify or predict with any certainty the likely impact of Brexit or related legislation on our business, financial condition, and results of operations.

Furthermore, Brexit could adversely affect European and worldwide economic or market conditions and could contribute to instability in global financial markets. Brexit is likely to lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which EU laws to replace or replicate. Any of these effects of Brexit, and others we cannot anticipate, could adversely affect our business, financial condition, and results of operations.

We are subject to certain federal, state and foreign fraud and abuse laws, health information privacy and security laws and transparency laws, which, if violated, could subject us to substantial penalties. Additionally, any challenge to or investigation into our practices under these laws could cause adverse publicity and be costly to respond to, and thus could harm our business.

There are numerous U.S. federal and state, as well as foreign, laws pertaining to healthcare fraud and abuse, including anti-kickback, false claims and physician transparency laws. Our business practices and relationships with providers are subject to scrutiny under these laws. We may also be subject to privacy and security regulation related to patient, customer, employee and other third-party information by both the federal government and the states and foreign jurisdictions in which we conduct our business. The healthcare laws and regulations that may affect our ability to operate include, but are not limited to:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce either the referral of an individual or furnishing or arranging for a good or service, for which payment may be made, in whole or in part, under federal healthcare programs, such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation. The U.S. government has interpreted this law broadly to apply to the marketing and sales activities of manufacturers. Moreover, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act. Violations of the federal Anti-Kickback Statute may result in civil monetary penalties up to $74,792 for each violation, plus up to three times the remuneration involved. Civil penalties for such conduct can further be assessed under the federal False Claims Act. Violations can also result in criminal penalties, including criminal fines of up to $100,000 and imprisonment of up to 10 years. Similarly, violations can result in exclusion from participation in government healthcare programs, including Medicare and Medicaid;

- the federal civil and criminal false claims laws and civil monetary penalties laws, including the federal civil False Claims Act, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment from Medicare, Medicaid or other federal healthcare programs that are false or fraudulent. These laws can apply to manufacturers who provide information on coverage, coding, and reimbursement of their products to persons who bill third-party payers. Private individuals can bring False Claims Act “qui tam” actions, on behalf of the government and such individuals, commonly known as “whistleblowers,” may share in amounts paid by the entity to the government in fines or settlement. When an entity is determined to have violated the federal civil False Claims Act, the government may impose civil fines and penalties ranging from $11,181 to $22,363 for each false claim, plus treble damages, and exclude the entity from participation in Medicare, Medicaid and other federal healthcare programs;

- the federal Civil Monetary Penalties Law, which prohibits, among other things, offering or transferring remuneration to a federal healthcare beneficiary that a person knows or should know is likely to influence the beneficiary’s decision to order or receive items or services reimbursable by the government from a particular provider or supplier;

- the Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created additional federal criminal statutes that prohibit, among other things, executing a scheme to defraud any healthcare benefit program and making false statements relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation;

- the federal Physician Sunshine Act under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, collectively referred to as the

Affordable Care Act, which require certain applicable manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program, or CHIP, to report annually to the DHHS Centers for Medicare and Medicaid Services, or CMS, information related to payments and other transfers of value to physicians, which is defined broadly to include other healthcare providers and teaching hospitals, and applicable manufacturers and group purchasing organizations, to report annually ownership and investment interests held by physicians and their immediate family members. Applicable manufacturers are required to submit annual reports to CMS. Failure to submit required information may result in civil monetary penalties of $11,052 per failure up to an aggregate of $165,786 per year (or up to an aggregate of $1.105 million per year for "knowing failures"), for all payments, transfers of value or ownership or investment interests that are not timely, accurately, and completely reported in an annual submission, and may result in liability under other federal laws or regulations;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH Act, and their respective implementing regulations, which impose requirements on certain covered healthcare providers, health plans and healthcare clearinghouses as well as their business associates that perform services for them that involve individually identifiable health information, relating to the privacy, security and transmission of individually identifiable health information without appropriate authorization, including mandatory contractual terms as well as directly applicable privacy and security standards and requirements. Failure to comply with the HIPAA privacy and security standards can result in civil monetary penalties up to $55,910 per violation, not to exceed $1.68 million per calendar year for non-compliance of an identical provision, and, in certain circumstances, criminal penalties with fines up to $250,000 per violation and/or imprisonment. State attorneys general can also bring a civil action to enjoin a HIPAA violation or to obtain statutory damages on behalf of residents of his or her state;

- analogous state and foreign law equivalents of each of the above federal laws, such as anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payor, including commercial insurers or patients; state laws that require device companies to comply with the industry's voluntary compliance guidelines and the applicable compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws that require device manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm customers, foreign and state laws, including the EU General Data Protection Regulation, governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts; and

- state laws related to insurance fraud in the case of claims involving private insurers.

These laws and regulations, among other things, constrain our business, marketing and other promotional activities by limiting the kinds of financial arrangements, including sales programs, we may have with hospitals, physicians or other potential purchasers of our r-SNM System. Due to the breadth of these laws, the narrowness of statutory exceptions and regulatory safe harbors available, and the range of interpretations to which they are subject, it is possible that some of our current or future practices might be challenged under one or more of these laws.

To enforce compliance with the healthcare regulatory laws, certain enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to

a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Responding to investigations can be time-and resource-consuming and can divert management's attention from the business. Additionally, as a result of these investigations, healthcare providers and entities may have to agree to additional compliance and reporting requirements as part of a consent decree or corporate integrity agreement. Any such investigation or settlement could increase our costs or otherwise have an adverse effect on our business. Even an unsuccessful challenge or investigation into our practices could cause adverse publicity, and responding to any such challenge or investigation would be costly and divert the attention of our management. If our operations are found to be in violation of any of the healthcare laws or regulations described above or any other healthcare regulations that apply to us, we may be subject to penalties, including administrative, civil and criminal penalties, damages, fines, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, imprisonment, contractual damages, reputational harm, disgorgement and the curtailment or restructuring of our operations.

We may be subject to, or may in the future become subject to, U.S. federal and state, and foreign laws and regulations imposing obligations on how we collect, store and process personal information. Our actual or perceived failure to comply with such obligations could harm our business. Ensuring compliance with such laws could also impair our efforts to maintain and expand our customer base, and thereby decrease our revenue.

As described above, in the conduct of our business, we may at times process personal data, including health-related personal data. The U.S. federal government and various states have adopted or proposed laws, regulations, guidelines and rules for the collection, distribution, use and storage of personal information of individuals. We may also be subject to U.S. federal rules, regulations and guidance concerning data security for medical devices, including guidance from the FDA. State privacy and security laws vary from state to state and, in some cases, can impose more restrictive requirements than U.S. federal law. Where state laws are more protective, we must comply with the stricter provisions. In addition to fines and penalties that may be imposed for failure to comply with state law, some states also provide for private rights of action to individuals for misuse of personal information.

The EU also has laws and regulations dealing with the collection, use and processing of personal data obtained from individuals in the EU, which are often more restrictive than those in the United States and which restrict transfers of personal data to the United States unless certain requirements are met. These obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other requirements or our practices. In addition, these rules are constantly under scrutiny. For example, following a decision of the Court of Justice of the European Union in October 2015, transferring personal data to U.S. companies that had certified as members of the U.S. Safe Harbor Scheme was declared invalid. In July 2016 the European Commission adopted the U.S.-EU Privacy Shield Framework which replaces the Safe Harbor Scheme. However, this framework is under review and there is currently litigation challenging other EU mechanisms for adequate data transfers (i.e., the standard contractual clauses). It is uncertain whether the Privacy Shield Framework and/or the standard contractual clauses will be similarly invalidated by the European courts. We rely on a mixture of mechanisms to transfer personal data from our EU business to the U.S., and could be impacted by changes in law as a result of a future review of these transfer mechanisms by European regulators under the EU General Data Protection Regulation 2016/679, or the GDPR, which came into effect on May 25, 2018, as well as current challenges to these mechanisms in the European courts.

Any actual or perceived failure by us or the third parties with whom we work to comply with privacy or security laws, policies, legal obligations or industry standards, or any security incident that results in the unauthorized release or transfer of personally identifiable information, may result in governmental enforcement actions and investigations including by European Data Protection Authorities and U.S. federal and state regulatory authorities, fines and penalties, litigation and/or adverse publicity, including by consumer advocacy groups, and could cause our customers, their patients and other healthcare professionals to lose trust in us, which could harm our reputation and have a material adverse effect on our business, financial condition and results of operations.

The laws in the EU are under constant reform. Since May 25, 2018, we have been subject to the requirements of the GDPR because we are processing personal data in the EU and/or offering goods to, or monitoring the behavior of, individuals in the EU. The GDPR implements more stringent administrative requirements for controllers and processors of personal data, including, for example, shortened timelines for data breach notifications, limitations on retention of information, increased requirements pertaining to health data and pseudonymized (i.e., key-coded) data, additional obligations when we contract with service providers, and more robust rights for individuals over their personal data. The GDPR provides that EU member states may make their own further laws and regulations limiting the processing of genetic, biometric or health data, which could limit our ability to use and share personal data or could cause our costs to increase, and harm our business and financial condition. If we do not comply with our obligations under the GDPR, we could be exposed to significant fines of up to €20,000,000 or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher.

Our failure to obtain necessary U.S. Federal Communications Commission, or FCC, authorizations, and comply with applicable FCC regulations, could impair our ability to commercialize our r-SNM System in the United States.

Because our r-SNM System includes a wireless radio frequency transmitter and receiver, it is subject to equipment authorization requirements in the United States. The FCC requires advance clearance of all radio frequency devices before they can be imported, sold or marketed in the United States. These clearances ensure that the proposed products comply with FCC radio frequency emission and power level standards and will not cause interference. We intend to submit an equipment certification application for non-experimental use to the FCC for our r-SNM System. Our r-SNM System has not received FCC approval for non-experimental use, and it could take several months to receive such approval. If FCC approval is obtained, it will be based on the current system design and specifications. Any modifications to our r-SNM System may require new or further FCC approval before we are permitted to market and sell a modified system, and it could take several months to obtain such new or modified approval. FCC approval has no impact on whether we will receive PMA approval.

In addition, applicable FCC requirements will restrict us to a particular band of frequencies for transmitting data in support of specific diagnostic or therapeutic functions. Failure to comply with all applicable restrictions on the use of such frequencies, or unforeseeable difficulties with the use of such frequencies, could impede our ability to commercialize our r-SNM System and could subject us to fines, penalties and other sanctions. In addition, any change to our transmission frequency following receipt of FCC approval may require us to obtain additional, or modified, regulatory approvals, which would be costly and time-consuming.

Healthcare policy changes, including recently enacted legislation reforming the U.S. healthcare system, could harm our business, financial condition and results of operations.

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs. In March 2010, the Affordable Care Act was enacted in the United States, which made a number of substantial changes in the way healthcare is financed by both governmental and private insurers. Among other ways in which it may affect our business, the Affordable Care Act:

- imposed an annual excise tax of 2.3% on any entity that manufactures or imports medical devices offered for sale in the United States, with limited exceptions (described in more detail below), although the effective rate paid may be lower. Through a series of legislative amendments, the tax was suspended for 2016 through 2019. Absent further legislative action, the device excise tax will be reinstated on medical device sales starting January 1, 2020;

- established a new Patient-Centered Outcomes Research Institute to oversee and identify priorities in comparative clinical effectiveness research in an effort to coordinate and develop such research;

- implemented payment system reforms including a national pilot program on payment bundling to encourage hospitals, physicians and other providers to improve the coordination, quality and efficiency of certain healthcare services through bundled payment models; and

- expanded the eligibility criteria for Medicaid programs.

We do not yet know the full impact that the Affordable Care Act will have on our business. The taxes imposed by the Affordable Care Act and the expansion in the government's role in the U.S. healthcare industry may result in decreased profits to us, lower reimbursement by payors for our r-SNM System, and/or reduced medical procedure volumes, all of which may have a material adverse effect on our business, financial condition and results of operations. The federal government may take further action regarding the Affordable Care Act, including, but not limited to, repeal or replacement. Most recently, the TCJA was enacted, which, among other things, removes penalties for not complying with the individual mandate to carry health insurance. Additionally, all or a portion of the Affordable Care Act and related subsequent legislation may be modified, repealed or otherwise invalidated through judicial challenge, which could result in lower numbers of insured individuals, reduced coverage for insured individuals and adversely affect our business.

We expect additional state and federal healthcare policies and reform measures to be adopted in the future, any of which could limit reimbursement for healthcare products and services or otherwise result in reduced demand for our r-SNM System, or additional pricing pressure, and have a material adverse effect on our industry generally and on our customers. Any changes of, or uncertainty with respect to, future coverage or reimbursement rates could affect demand for our r-SNM System, which in turn could impact our ability to successfully commercialize our r-SNM System and could have a material adverse effect on our business, financial condition and results of operations.

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

Our third-party manufacturers' activities may involve the controlled storage, use and disposal of hazardous materials. Our manufacturers are subject to federal, state, local and foreign laws and regulations governing the use, generation, manufacture, storage, handling and disposal of these hazardous materials. We currently carry no insurance specifically covering environmental claims relating to the use of hazardous materials. Although we believe the safety procedures of our manufacturers for handling and disposing of these materials and waste products comply with the standards prescribed by these laws and regulations, we cannot eliminate the risk of accidental injury or contamination from the use, storage, handling or disposal of hazardous materials. In the event of an accident, state or federal or other applicable authorities may curtail our manufacturers' use of these materials and interrupt their business operations which could adversely affect our business.

Compliance with securities rules relating to "conflict minerals" may require us and our suppliers to incur substantial expense and may result in disclosure by us that certain minerals used in products we manufacture or contract to manufacture are not "DRC conflict free."

Because we manufacture or contract to manufacture a product that contains titanium, we may be required under rules promulgated by the SEC governing disclosure of the use of "conflict minerals" (tin, tungsten, tantalum and gold) to determine whether those minerals are necessary to the functionality or production of our r-SNM System and, if so, conduct a country of origin inquiry with respect to all such minerals. If any such minerals may have originated in the Democratic Republic of the Congo, or DRC, or any of its adjoining countries, or covered countries, then we must conduct diligence on the source and chain of custody of those conflict minerals to determine if they originated in one of the covered countries and, if so, whether they financed or benefited armed groups in the covered countries. Disclosures relating to the products that may contain conflict minerals, the country of origin of those minerals and whether they are "DRC conflict free" must be provided in a

Form SD (and accompanying conflict minerals report, if required, to disclose the diligence undertaken by us in sourcing the minerals and our conclusions relating to such diligence). If we are required to submit a conflict minerals report, that report must be audited by an independent auditor pursuant to existing government auditing standards. Compliance with this disclosure rule may be very time-consuming for our management and personnel (as well as time-consuming for our suppliers) and could involve the expenditure of significant amounts of money by us and them. Disclosures mandated by this rule, which can be perceived by the market to be "negative," may cause customers to refuse to purchase our r-SNM System. The cost of compliance with the rule could adversely affect our results of operations.

Risks Related to Intellectual Property

If we or any of our current or future licensors, including AMF, are unable to maintain, obtain or adequately protect our intellectual property rights, we may not be able to compete effectively in our market or we could be required to incur significant expenses to enforce or defend our rights or attempt to do the same.

Our commercial success depends in part on ours and any of our current or future licensors', including AMF's, success in obtaining, maintaining and protecting patents, trademarks, trade secrets and other intellectual property rights and proprietary technology in the United States and elsewhere. If we or any of our current or future licensors, including AMF, do not adequately protect our respective intellectual property and proprietary technology, competitors may be able to use our technologies and erode or negate any competitive advantage we may have, which could harm our business and ability to achieve profitability.

Our intellectual property coverage includes protection provided by patents and other intellectual property licensed through the License Agreement with AMF. We rely on AMF to maintain the patents and otherwise protect the intellectual property we license from them. If in the future we no longer have rights to one or more of these licensed patents or other licensed intellectual property, our intellectual property coverage may be compromised, which in turn could affect our ability to protect our r-SNM System and defend it against competitors.

We own numerous issued patents and pending patent applications that relate to our r-SNM System and several issued patents and patent applications were licensed from AMF in 2013 pursuant to the License Agreement. As of September 30, 2018, we owned 17 issued U.S. patents and 20 issued foreign patents, and 17 pending U.S. patent applications and 59 pending foreign patent applications, and we licensed from AMF 30 issued U.S. patents and 38 issued foreign patents, and four pending U.S. patent applications and 28 pending foreign patent applications.

Our patents may not have, and any of our pending patent applications that mature into issued patents may not include, claims with a scope sufficient to adequately protect our r-SNM System, or any additional features we develop for our r-SNM System or any new products. Other parties may have developed technologies that may be related to or competitive with our r-SNM System, and, may have filed, or may file, patent applications, and, may have received, or may receive patents, that overlap or conflict with our patent applications, either by claiming the same methods or devices or by claiming subject matter that could dominate our patent position. The patent positions of medical device companies, including our patent position, may involve complex legal and factual questions, and therefore, the scope, validity and enforceability of any patent claims that we may obtain cannot be predicted with certainty. Patents, if issued, may be challenged, deemed unenforceable, invalidated or circumvented. Proceedings challenging our patents could result in either loss of the patent, or denial of the patent application or loss or reduction in the scope of one or more of the claims of the patent or patent application. In addition, such proceedings may be costly. Thus, any patents that we may own may not provide any protection against competitors. Furthermore, an adverse decision may result in a third party receiving a patent right sought by us, which in turn could affect our ability to commercialize our r-SNM System.

Though an issued patent is presumed valid and enforceable, its issuance is not conclusive as to its validity or its enforceability and it may not provide us with adequate proprietary protection or competitive

advantages against competitors with similar products. Competitors could purchase our r-SNM System and attempt to replicate some or all of the competitive advantages we derive from our development efforts, circumvent or design around our patents, or develop and obtain patent protection for more effective technologies, designs or methods. We may be unable to prevent the unauthorized disclosure or use of our technical knowledge or trade secrets by consultants, suppliers, vendors, former employees and current employees. In addition, third parties may create new products or methods that achieve similar results without infringing upon patents we own. If these developments were to occur, it could have an adverse effect on our sales or market position. The laws of some foreign countries do not protect our proprietary rights to the same extent as the laws of the United States, and we may encounter significant problems in protecting our proprietary rights in these countries.

Our ability to enforce our patent rights depends on our ability to detect infringement. It may be difficult to detect infringers who do not advertise the components that are used in their products. In addition, it may be difficult or impossible to obtain evidence of infringement in a competitor's or potential competitor's product. We may not prevail in some, or any lawsuits that we initiate and the damages or other remedies awarded if we were to prevail may not be commercially meaningful. Any litigation to enforce or defend our patent rights, even if we were to prevail, could be costly and time-consuming and could divert the attention of our management and key personnel from our business operations.

In addition, proceedings to enforce or defend our patents could put our patents at risk of being invalidated, held unenforceable, or interpreted narrowly. Such proceedings could also provoke third parties to assert claims against us, including that some, or all, of the claims in one or more of our patents are invalid or otherwise unenforceable. If any of our patents covering our r-SNM System are invalidated or found unenforceable, or, if a court found that valid, enforceable patents held by third parties covered our r-SNM System, our competitive position could be harmed, or, we could be required to incur significant expenses to enforce or defend our rights.

The degree of future protection for our proprietary rights is uncertain, and we cannot ensure that:

- any of our patents, or any of our pending patent applications, if issued, will include claims having a scope sufficient to protect our r-SNM System;
- any of our pending patent applications will issue as patents;
- we will be able to successfully commercialize our r-SNM System on a substantial scale, if approved, before our relevant patents have expired;
- we were the first to make, or file for patent protection of, the inventions covered by each of our patents and pending patent applications, as is dictated by the applicable national patent laws in effect at the time of a patent application being filed;
- we were the first to file patent applications for these inventions, where such rules are applicable;
- others will not develop similar or alternative technologies that do not infringe our patents;
- any of our patents will be found to ultimately be valid and enforceable;
- any patents issued to us will provide a basis for an exclusive market for our commercially viable products, will provide us with any competitive advantages or will not be challenged by third parties;
- we will develop additional proprietary technologies or products that are separately patentable; or
- our commercial activities or products will not infringe upon the patents of others.

In addition, we rely in part upon unpatented trade secrets, unpatented know-how, and continuing technological innovation which may not yet, or may never be, patented, to develop and maintain our competitive position, which we seek to protect, in part, by confidentiality agreements with our employees and consultants. We also have agreements with our employees and consultants that obligate them to assign their inventions to us. It is possible that technology relevant to our business will be independently developed by a person that is not a party to such an agreement. In addition, if the employees and consultants who are parties to these agreements breach or violate the terms of these agreements, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets through such breaches or violations. To the extent that our commercial partners, collaborators, employees and consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. Further, our trade secrets could otherwise become known or be independently discovered by our competitors, which would harm our business.

We are reliant on the ability of AMF, as licensor of certain intellectual property contained in our r-SNM System, and may be reliant on, future licensors to maintain their intellectual property and protect their intellectual property against misappropriation, infringement or other violation. In some instances, we may not have primary control over AMF's, or our other future licensors', patent prosecution activities. With respect to licensed patents that were issued to our licensors, or patents that may issue on patent applications, third parties may challenge their validity, enforceability or scope, which may result in such patents being narrowed or invalidated. As a licensee, we are reliant on AMF to defend any third-party claims or consent to our defending them on their behalf. Our licensors may not defend or prosecute such actions as vigorously or in the manner that we would have if entitled to do so, and we will be subject to any judgment or settlement resulting from such actions and our business could be adversely affected.

Litigation or other proceedings or third-party claims of intellectual property infringement against us or any of our current or future licensors, including AMF, could require us to spend significant time and money and could prevent us from selling our r-SNM System, or affect our stock price.

Our commercial success will depend in part on our ability to avoid infringement of the proprietary rights of third parties. To the extent that our commercial partners, collaborators, employees and consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. Our competitors in both the United States and internationally, many of which have substantially greater resources, and, may have made substantial investments in patent portfolios and competing technologies, may have applied for or obtained or may in the future apply for and obtain, patents that will prevent, limit or otherwise interfere with our ability to make, use and sell our r-SNM System. We do not always conduct independent reviews of patents issued to third parties. In addition, patent applications in the United States and elsewhere can be pending for many years before issuance, or unintentionally abandoned patents or applications can be revived, so there may be applications for other patents now pending or recently revived patents of which we are unaware that our r-SNM System may infringe. There may also be patent applications that have been filed but not published that, when issued as patents, could be asserted against us. There is a substantial amount of litigation, both within and outside the United States, involving patent and other intellectual property rights in the technology and medical device industries, including patent infringement lawsuits, interferences, oppositions and *inter partes* reexamination or review proceedings before the U.S. Patent and Trademark Office. Numerous U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are developing our r-SNM System or will develop future product candidates. As the technology and medical device industries expand and more patents are issued, the risk continues, or possibly increases, that our r-SNM System may be subject to claims of infringement of the patent rights of third parties.

Third parties may assert that we, or any of our current or future licensors, including AMF, are employing their proprietary technology without authorization. If any third-party patents were held by a court of competent jurisdiction to cover our r-SNM System, the holders of any such patents may be able to block our

ability to commercialize our product unless we obtain a license under the applicable patents, or until such patents expire. Similarly, if any third-party patent were held by a court of competent jurisdiction to cover aspects of our methods of use, the holders of any such patent may be able to block our ability to develop and commercialize the applicable product unless we obtain a license or until such patent expires. In either case, such a license may not be available on commercially reasonable terms or at all.

In addition to claims of patent infringement, third parties may bring claims against us, or AMF, asserting misappropriation of proprietary technology or other information in the development, manufacture and commercialization of our r-SNM System. Defense of such a claim would require dedicated time and resources, which time and resources could otherwise be used by us toward the maintenance of our own intellectual property and the development and commercialization of our r-SNM System, or by any of our current or future licensors for operational upkeep and manufacturing of our r-SNM System.

The legal threshold for initiating litigation or contested proceedings may be low, so that even lawsuits or proceedings with a low probability of success might be initiated. Litigation and contested proceedings can also be expensive and time-consuming, and our adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we can. We may also occasionally use these proceedings to challenge the patent rights of others.

Any lawsuits resulting from such allegations could subject us to significant liability for damages and invalidate our proprietary rights. Any potential intellectual property litigation also could force us to do one or more of the following:

- stop making, selling or using products or technologies that allegedly infringe the asserted intellectual property;
- lose the opportunity to license our technology to others or to collect royalty payments based upon successful protection and assertion of our intellectual property rights against others;
- incur significant legal expenses;
- pay substantial damages or royalties to the party whose intellectual property rights we may be found to be infringing;
- pay the attorney’s fees and costs of litigation to the party whose intellectual property rights we may be found to be infringing;
- redesign those products that contain the allegedly infringing intellectual property, which could be costly, disruptive, or infeasible; and
- attempt to obtain a license to the relevant intellectual property from third parties, which may not be available on reasonable terms, or at all, or, from third parties whom may attempt to license rights that they have or do not have.

Any litigation or claim against us or AMF, even those without merit, may cause us to incur substantial costs, and, could place a significant strain on our financial resources, divert the attention of management from commercialization of our r-SNM System, or harm our reputation. If we or AMF are found to infringe the intellectual property rights of third parties, we could be required to pay substantial damages (which may be increased up to three times of awarded damages) and/or substantial royalties and could be prevented from selling our infringing products unless we obtain a license or are able to redesign our r-SNM System to avoid infringement. Any such license may not be available on reasonable terms, if at all, and we may not be able to redesign the infringing product in a way that would not infringe the intellectual property rights of others. We

could encounter delays in product introductions while we attempt to develop alternative methods or products. If we fail to obtain any required licenses, or make any necessary changes to our r-SNM System, including future technologies, we may have to withdraw our r-SNM System from the market or may be unable to commercialize our r-SNM System.

In addition, third parties may assert infringement claims against our customers. These claims may require us to initiate or defend protracted and costly litigation on behalf of our customers or indemnify our customers for any costs associated with their own initiation or defense of infringement claims, regardless of the merits of these claims. If any of these claims succeed or settle, we may be forced to pay damages or settlement payments on behalf of our customers or may be required to obtain licenses for the products they use. If we cannot obtain all necessary licenses on commercially reasonable terms, our customers may be forced to stop using our r-SNM System.

If we are unable to protect the confidentiality of our trade secrets, our business or competitive position could be harmed.

In addition to patent protection, we also rely upon other non-patent protection, such as: trademark, or, trade secret protection, as well as confidentiality agreements with our employees, consultants, vendors, and third parties, to protect our confidential and proprietary information. Despite the existence of such confidentiality agreements, or other contractual restrictions, we may not be able to prevent the unauthorized disclosure or use of our confidential proprietary information or trade secrets by employees, consultants, vendors, and third parties. In addition to contractual measures, we try to protect the confidential nature of our proprietary information using commonly accepted physical and technological security measures. Such measures may not, for example, in the case of misappropriation of a trade secret by an employee or third party with authorized access, provide adequate protection for our proprietary information. Our security measures may not prevent an employee or consultant from misappropriating our trade secrets and providing them to a competitor, and, recourse we take against such misconduct may not provide an adequate remedy to fully protect our interests. Unauthorized parties may also attempt to copy or reverse engineer certain aspects of our r-SNM System that we consider proprietary. Enforcing a claim that a party illegally disclosed, or misappropriated a trade secret, can be difficult, expensive and time-consuming, and, the outcome is unpredictable. Even though we use commonly accepted security measures, trade secret violations are often a matter of state law, and the criteria for protection of trade secrets can vary among different jurisdictions. Furthermore, the laws of foreign countries may not protect our trade secrets effectively or to the same extent as the laws of the United States. In addition, trade secrets may be independently developed by others in a manner that could prevent legal recourse by us. If any of our confidential or proprietary information, such as our trade secrets, were to be disclosed or misappropriated, or if any such information was independently developed by a competitor, our business and competitive position could be harmed.

We may be unable to enforce our intellectual property rights throughout the world.

The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. If we face similar challenges in respect of material intellectual property matters, this could make it difficult for us to stop infringement of our foreign patents or our other intellectual property rights. For example, some foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, some countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. Patent protection must ultimately be sought on a country-by-country basis, which is an expensive and time-consuming process with uncertain outcomes. Accordingly, we may choose not to seek patent protection in certain countries, and we will not have the benefit of patent protection in such countries.

Litigation may be necessary in the future to enforce our intellectual property rights or protect our trade secrets or other proprietary information, which is an expensive and time-consuming process with uncertain

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

Third parties may assert ownership or commercial rights to inventions we develop.

Third parties may, in the future, make claims challenging the inventorship or ownership of our intellectual property. In addition, we may face claims by third parties that our agreements with employees, contractors or consultants obligating them to assign intellectual property to us are ineffective or in conflict with prior or competing contractual obligations of assignment, which could result in ownership disputes regarding intellectual property we have developed or will develop and interfere with our ability to capture the commercial value of such intellectual property. Litigation may be necessary to resolve an ownership dispute, and if we are not successful, we may be precluded from using certain intellectual property or we may lose our rights in that intellectual property. Either outcome could harm our business and competitive position.

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

We employ individuals who previously worked with other companies, including our competitors or potential competitors. We may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed confidential information, including trade secrets or other proprietary information, of former employers or other third parties. We may also be subject to claims that former employers or other third parties have an ownership interest in our patents. Litigation may be necessary to defend against these claims. We may not be successful in defending these claims, and even if we are successful, litigation could result in substantial cost and be a distraction to our management and other employees. Any litigation or the threat thereof may adversely affect our ability to hire employees and we may lose valuable intellectual property rights if we fail in defending any such claims. A loss of key personnel or their work product could diminish or prevent our ability to commercialize our r-SNM System, which could have an adverse effect on our business, results of operations and financial condition.

Recent changes in U.S. patent laws may limit our ability to obtain, defend and/or enforce our patents.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. The Leahy-Smith America Invents Act, or the AIA, includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted and also affect patent litigation. The U.S. Patent and Trademark Office recently developed new regulations and procedures to govern administration of the AIA, and many of the substantive changes to patent law associated with the AIA, and in particular, the first to file provisions, which became effective on March 16, 2013. The first to file provisions limit the rights of an inventor to patent an invention if that inventor is not the first to file an application for patenting that invention, even if such inventor was the first to invent such invention. Accordingly, it is not clear what, if any, impact the AIA will have on the operation of our business.

The AIA could also increase the uncertainties and costs surrounding the enforcement and defense of our issued patents. For example, the AIA provides that an administrative tribunal known as the Patent Trial and Appeals Board, or PTAB, provides a venue for challenging the validity of patents at a cost that is much lower than district court litigation and on timelines that are much faster. Although it is not clear what, if any, long-term impact the PTAB proceedings will have on the operation of our business, the initial results of patent challenge proceedings before the PTAB since its inception in 2013 have resulted in the invalidation of many U.S. patent claims. The availability of the PTAB as a lower-cost, faster and potentially more potent tribunal for challenging

patents could increase the likelihood that our own patents will be challenged, thereby increasing the uncertainties and costs of maintaining and enforcing them.

If we fail to comply with our obligations under our patent licenses with third parties, we could lose license rights that are important to our business.

We are a party to the License Agreement with AMF and we may be a party to future license agreements. One or more of our licensors may allege that we have breached our license agreement with them, and accordingly seek to terminate our license. If successful, this could result in our loss of the right to use the licensed intellectual property, which could adversely affect our ability to commercialize our r-SNM System, as well as harm our competitive business position and our business prospects. In particular, the License Agreement imposes various development, royalty, insurance and other obligations on us. If we fail to comply with these obligations or otherwise materially breach the License Agreement, AMF may have the right to terminate the License Agreement, in which event we would not be able to develop or market our r-SNM System. In addition, any claims asserted against us by AMF may be costly and time-consuming, divert the attention of key personnel from business operations or otherwise have a material adverse effect on our business.

Risks Related to this Offering and Our Common Stock

There has been no prior public market for our common stock and an active trading market may never develop or be sustained.

Prior to this offering, there has been no public market for our common stock. An active trading market for our shares may never develop or be sustained following this offering. If an active trading market for our common stock does not develop, it may be difficult for you to sell the shares that you purchase in this offering without depressing the market price for the common stock or to sell your shares at all. The initial public offering price for our common stock will be determined through negotiations between us and the underwriters, and may bear no relationship to the price at which the common stock will trade upon the closing of this offering. As a result of these and other factors, you may be unable to resell your shares of our common stock at or above the initial public offering price. In addition, an inactive market may also impair our ability to raise capital by selling shares of our common stock and may impair our ability to enter into strategic partnerships or acquire companies or products by using our shares of common stock as consideration.

The trading price of our common stock is likely to be volatile, and purchasers of our common stock could incur substantial losses.

Our stock price is likely to be volatile. The stock market in general and the market for medical technology companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, investors may not be able to sell their common stock at or above the initial public offering price and may not realize any return on their investment. The market price for our common stock may be influenced by many factors, some of which are beyond our control, including:

- announcements of regulatory approval or disapproval of our r-SNM System and any future enhancements to our r-SNM System;
- adverse results from or delays in clinical studies of our r-SNM System;
- unanticipated safety concerns related to the use of our r-SNM System;
- FDA or other U.S. or foreign regulatory or legal actions or changes affecting us or our industry;
- any termination or loss of rights under the License Agreement;

- any voluntary or regulatory mandated product recalls;
- adverse developments concerning our manufacturers or suppliers or any future strategic partnerships;
- introductions and announcements of new technologies by us, any commercialization partners or our competitors, and the timing of these introductions and announcements;
- variations in our financial results or those of companies that are perceived to be similar to us;
- success or failure of competitive products or therapies in the SNM market;
- changes in the structure of healthcare payment of our r-SNM System;
- announcements by us or our competitors of significant acquisitions, licenses, strategic partnerships, joint ventures or capital commitments;
- market conditions in the medical technology industry and issuance of securities analysts' reports or recommendations;
- quarterly variations in our results of operations or those of our future competitors;
- changes in financial estimates or guidance, including our ability to meet our future revenue and operating profit or loss estimates or guidance;
- the public's reaction to our earnings releases, other public announcements and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- sales of substantial amounts of our stock by directors, officers or significant stockholders, or the expectation that such sales might occur;
- general economic, industry and market conditions, including the size and growth, if any, of the market;
- news reports relating to trends, concerns and other issues in the market or industry;
- operating and stock performance of other companies that investors deem comparable to us and overall performance of the equity markets;
- additions or departures of key personnel;
- intellectual property, product liability or other litigation against us, our third-party manufacturers or other parties on which we rely or litigation against our general industry;
- changes in our capital structure, such as future issuances of securities and the incurrence of additional debt;
- changes in accounting standards, policies, guidelines, interpretations or principles; and
- other factors described in this "Risk Factors" section.

In addition, in the past, stockholders have initiated class action lawsuits against companies following periods of volatility in the market prices of these companies' common stock. Such litigation, if instituted against us, regardless of the merit or ultimate results of such litigation, could cause us to incur substantial costs and divert management's attention and resources.

We are an "emerging growth company" and the reduced reporting requirements available to "emerging growth companies" could make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act. For as long as we remain an emerging growth company, we may take advantage of certain exemptions and relief from various reporting requirements that are applicable to other public companies. These provisions include, but are not limited to:

- being permitted to have only two years of audited financial statements and only two years of related selected financial data and management's discussion and analysis of financial condition and results of operations disclosure;
- an exemption from compliance with the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act;
- reduced disclosure about executive compensation arrangements in our periodic reports, registration statements and proxy statements; and
- exemptions from the requirements to seek non-binding advisory votes on executive compensation or golden parachute arrangements.

To the extent we take advantage of any of these exemptions, the information that we provide stockholders may be different than what is available with respect to other public companies.

Investors could find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our trading price may be more volatile.

We have elected to take advantage of the JOBS Act provision which allows us to delay implementing new accounting standards, and our consolidated financial statements may not be directly comparable to other public companies.

Pursuant to the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our consolidated financial statements and the reported results of operations contained therein may not be directly comparable to those of other public companies.

Our directors, officers and principal stockholders have significant voting power and may take actions that may not be in the best interests of our other stockholders.

Based on the beneficial ownership of our common stock as of June 30, 2018, following this offering, our officers, directors and principal stockholders each holding more than 5% of our common stock, collectively, will control approximately % of our outstanding common stock. As a result, these stockholders, if they act together, will be able to control the management and affairs of our company and most matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. The

interests of these stockholders may not be the same as or may even conflict with your interests. For example, these stockholders could attempt to delay or prevent a change in control of our company, even if such change in control would benefit our other stockholders, which could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company or our assets, and might affect the prevailing market price of our common stock due to investors' perceptions that conflicts of interest may exist or arise. As a result, this concentration of ownership may not be in the best interests of our other stockholders. Certain of our existing stockholders that are affiliated with certain of our directors have indicated an interest in purchasing an aggregate of up to approximately $ million in shares of our common stock in this offering at the initial public offering price. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters may determine to sell more, fewer or no shares in this offering to any or all of these stockholders, or any or all of these stockholders may determine to purchase more, fewer or no shares in this offering. The underwriters will receive the same underwriting discount on any shares purchased by these stockholders as they will on any other shares sold to the public in this offering. The foregoing discussion does not give effect to any potential purchases by these stockholders in this offering.

Because the initial public offering price of our common stock will be substantially higher than the pro forma net tangible book value per share of our outstanding common stock following this offering, new investors will experience immediate and substantial dilution.

The initial public offering price will be substantially higher than the pro forma net tangible book value per share of our common stock immediately following this offering based on the total value of our tangible assets less our total liabilities. Therefore, if you purchase shares of our common stock in this offering, you will experience immediate dilution of $ per share, based on an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and our pro forma as adjusted net tangible book value per share as of June 30, 2018. To the extent outstanding stock options or warrants to purchase shares of our common stock are exercised, new investors may incur further dilution.

Future sales of our common stock, or the perception that such sales may occur, could depress the market price of our common stock.

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that these sales may occur, could result in a decrease in the market price of our common stock. Immediately after this offering, we will have outstanding shares of common stock, based on the number of shares common stock outstanding as of June 30, 2018, after giving effect to the automatic conversion of all outstanding shares of our preferred stock into shares of our common stock immediately prior to the closing of this offering. This includes the shares that we are selling in this offering, which may be resold in the public market immediately without restriction, unless purchased by our affiliates or existing stockholders. Of the remaining shares, shares are currently restricted as a result of securities laws or 180-day lock-up agreements (which may be waived with or without notice by Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC) but will be able to be sold beginning 180 days after this offering, unless held by one of our affiliates, in which case the resale of those securities will be subject to volume limitations under Rule 144 of the Securities Act of 1933, as amended, or the Securities Act. We, our directors, executive officers and all holders of our other existing security holders have agreed that, without the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC, we and they will not, subject to certain exceptions and extensions, during the period ending 180-days after the date of this prospectus, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock or publicly disclose the intention to do any of the foregoing. Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC may in their discretion and at any time without notice release all or any portion of the shares of our common stock subject to the lock-up.

In addition, following this offering, holders of an aggregate of up to shares of our common stock, including shares of our common stock issuable upon the conversion of the shares of our preferred stock immediately prior to the closing of this offering, will have rights, subject to certain conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders as described in the section entitled "Description of Capital Stock—Registration Rights." In addition, we intend to file one or more registration statements with the SEC covering shares of our common stock available for future issuance under the 2014 Plan, 2018 Plan and any future equity incentive plans. Upon effectiveness of such registration statements, any shares subsequently issued under such plans will be eligible for sale in the public market, except to the extent that they are restricted by the lock-up agreements referred to above and subject to compliance with Rule 144 in the case of our affiliates. Sales of a large number of the shares issued under these plans in the public market could have an adverse effect on the market price of our common stock.

Our management will have broad discretion over the actual amounts and timing of the expenditure of the proceeds of this offering and might not apply the proceeds in ways that enhance our operating results or increase the value of your investment.

We intend to allocate the net proceeds from this offering as follows: (i) approximately $ to hire a specialty sales force of approximately 60 sales representatives, which we will initially endeavor to hire in anticipation of our potentially receiving FDA approval to support the commercial launch of our r-SNM System in the United States, (ii) approximately $ to fund the technological enhancement of our r-SNM System, consisting of 1.5T/3.0T MRI full body conditional labelling for our r-SNM System, a reduction by half in the number of IPG battery recharging sessions required for the IPG to remain charged for one full month, and other compatibility features that would enable us to compete with the replacement of the IPG of InterStim II, (iii) approximately $ to conduct SNM-related research and development activities, consisting of expanding the suite of product solutions available for SNM therapy over time, and (iv) the remainder for working capital and general corporate purposes. Our management will have broad discretion over the actual amounts and timing of the expenditure of the net proceeds from this offering within those categories, and accordingly, investors in this offering will need to rely upon the judgment of our management with respect to the use of proceeds, with only limited information concerning management's specific intentions. Our management might not apply the proceeds in ways that enhance our operating results or increase the value of your investment. We may pursue commercialization strategies, clinical studies, regulatory approvals or collaborations that do not result in an increase in the market value of our common stock and that may increase our losses. Our failure to allocate and spend the net proceeds from this offering effectively could harm our business, financial condition and results of operations. Pending our use of the net proceeds from this offering, we may invest the net proceeds in a variety of capital preservation investments, including short and intermediate-term, interest-bearing obligations, investment-grade instruments, certificates of deposit or direct or guaranteed obligations of the U.S. government.

We will incur significant costs as a result of being a public company, which may adversely affect our business, financial condition and results of operations.

Upon completion of this offering, we expect to incur significant costs associated with corporate governance requirements that will become applicable to us as a public company, including rules and regulations of the SEC, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and the Securities Exchange Act of 1934, or the Exchange Act, as well as the listing requirements, or the Nasdaq Marketplace Rules, of the Nasdaq Global Market, or Nasdaq. These rules and regulations are expected to significantly increase our accounting, legal and financial compliance costs and make some activities more time-consuming. We also expect these rules and regulations to make it more expensive for us to maintain our directors' and officers' liability insurance. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our board of directors or as executive officers. Accordingly, increases in costs incurred as a result of becoming a publicly traded company may adversely affect our business, financial condition and results of operations.

As a result of becoming a public company, we will be obligated to develop and maintain proper and effective internal controls over financial reporting and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in us, and, as a result, the value of our common stock.

To comply with the requirements of being a public company, we will need to undertake various actions, including implementing new internal controls and procedures and hiring new accounting or internal audit staff. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file with the SEC is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that information required to be disclosed in reports under the Exchange Act, is accumulated and communicated to our principal executive and financial officers. Our current controls and any new controls that we develop may become inadequate and weaknesses in our internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls when we become subject to this requirement could negatively affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we may be required to include in our periodic reports we will file with the SEC under Section 404 of the Sarbanes-Oxley Act, harm our operating results, cause us to fail to meet our reporting obligations or result in a restatement of our prior period financial statements. In the event that we are not able to demonstrate compliance with the Sarbanes-Oxley Act, that our internal control over financial reporting is perceived as inadequate or that we are unable to produce timely or accurate financial statements, investors may lose confidence in our operating results and the price of our common stock could decline. In addition, if we are unable to continue to meet these requirements, we may be unable to remain listed on Nasdaq.

Our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting until the later of our second annual report or the first annual report required to be filed with the SEC following the date we are no longer an "emerging growth company," as defined in the JOBS Act, depending on whether we choose to rely on certain exemptions set forth in the JOBS Act.

We have identified material weaknesses in our internal control over financial reporting, which resulted in the restatement of our consolidated financial statements. If we do not remediate the material weaknesses in our internal control over financial reporting, we may not be able to accurately report our financial results or file our periodic reports in a timely manner, which may cause investors to lose confidence in our reported financial information and may lead to a decline in the market price of our common stock.

Effective internal control over financial reporting is necessary for us to provide reliable financial reports in a timely manner. In connection with the audits of our financial statements for the years ended December 31, 2017 and 2016, we concluded that there were material weaknesses in our internal control over financial reporting. A material weakness is a significant deficiency, or a combination of significant deficiencies, in internal control over financial reporting such that it is reasonably possible that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses that we identified related to the accounting and reporting of complex financial instruments and consolidation matters, which resulted in the restatement of our consolidated financial statements for the years ended December 31, 2016 and 2017 and for the six-months ended June 30, 2018 as further described in Note 10 to our consolidated financial statements included elsewhere in this prospectus. A lack of adequate staffing levels resulted in insufficient time spent on review and approval of certain information used to prepare our consolidated financial statements and the maintenance of effective controls to adequately monitor and review significant transactions for financial statement completeness and accuracy.

We are taking steps to remediate the material weaknesses in our internal control over financial reporting, including engaging in a review of our processes and procedures, enhancing training of our personnel,

implementing new accounting processes and control procedures and identifying gaps in our skills base and expertise of the staff required to meet the financial reporting requirements of a public company. We plan to hire additional accounting personnel who are certified public accountants, which will enable us to better address the accounting for complex financial instruments or consolidation matters or other complex accounting matters that may occur in the future. Although we plan to complete the above remediation process and associated evaluation and testing as quickly as possible, we may not be able to do so and our initiatives may prove not to be successful. Our remediation efforts may not remediate our material weaknesses in a timely manner, or at all, or prevent restatements of our financial statements in the future. If we are unable to successfully remediate our material weaknesses, or identify any future significant deficiencies or material weaknesses, the accuracy and timing of our financial reporting may be adversely affected, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports, and the market price of our common stock may decline as a result.

Our management and independent registered public accounting firm did not perform an evaluation of our internal control over financial reporting during any period in accordance with the provisions of Sarbanes-Oxley Act. Had we and our independent registered public accounting firm performed an evaluation of our internal control over financial reporting in accordance with the provisions of Sarbanes-Oxley Act, additional control deficiencies amounting to material weaknesses may have been identified. As a result of becoming a public company, we will be required, under Section 404(a) of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting beginning with our Annual Report on Form 10-K for the year ended December 31, 2019. We are in the very early stages of the costly and challenging process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404(a) of Sarbanes-Oxley Act. We may not be able to complete our evaluation, testing or any required remediation in a timely fashion. If we fail to comply with Section 404(a) or to remedy these material weaknesses or identify new material weaknesses by the time we have to issue that report, we will not be able to certify that our internal controls over financial reporting are effective, which may cause investors to lose confidence in our financial statements, and the trading price of our common stock may decline. If we fail to remedy any material weakness, our financial statements may be inaccurate, our access to the capital markets may be restricted and the trading price of our common stock may suffer.

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

Upon the closing of this offering, we will become subject to the periodic reporting requirements of the Exchange Act. We are continuing to refine our disclosure controls and procedures to provide reasonable assurance that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

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

Our business could be negatively affected as a result of actions of activist stockholders, and such activism could impact the trading value of our securities.

Stockholders may, from time to time, engage in proxy solicitations or advance stockholder proposals, or otherwise attempt to effect changes and assert influence on our board of directors and management. Activist campaigns that contest or conflict with our strategic direction or seek changes in the composition of our board of

directors could have an adverse effect on our operating results and financial condition. A proxy contest would require us to incur significant legal and advisory fees, proxy solicitation expenses and administrative and associated costs and require significant time and attention by our board of directors and management, diverting their attention from the pursuit of our business strategy. Any perceived uncertainties as to our future direction and control, our ability to execute on our strategy, or changes to the composition of our board of directors or senior management team arising from a proxy contest could lead to the perception of a change in the direction of our business or instability which may result in the loss of potential business opportunities, make it more difficult to pursue our strategic initiatives, or limit our ability to attract and retain qualified personnel and business partners, any of which could adversely affect our business and operating results. If individuals are ultimately elected to our board of directors with a specific agenda, it may adversely affect our ability to effectively implement our business strategy and create additional value for our stockholders. We may choose to initiate, or may become subject to, litigation as a result of the proxy contest or matters arising from the proxy contest, which would serve as a further distraction to our board of directors and management and would require us to incur significant additional costs. In addition, actions such as those described above could cause significant fluctuations in our stock price based upon temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business.

Anti-takeover provisions in our certificate of incorporation and bylaws, as well as under Delaware law, could discourage a takeover.

Provisions in our certificate of incorporation and our bylaws that will become effective upon the completion of this offering may discourage, delay or prevent a merger, acquisition or other change in control of us that stockholders may consider favorable, including transactions in which 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, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace or remove members of our board of directors. Because our board of directors is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our stockholders to replace or remove current members of our management team. These include the following provisions that:

- permit our board of directors to issue shares of preferred stock, with any rights, preferences and privileges as they may designate, without stockholder approval, which could be used to dilute the ownership of a hostile bidder significantly;
- provide that the authorized number of directors may be changed only by resolution of our board of directors and that a director may only be removed with or without cause by the affirmative vote of the holders of at least 66 2/3% of our voting stock;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner and also specify requirements as to the form and content of a stockholder’s notice, which may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror’s own slate of directors or otherwise attempting to obtain control of our company;

- prohibit cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates; and

- provide that special meetings of our stockholders may be called only by the Chair of the board, our Chief Executive Officer or by our board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors, which may delay the ability of our stockholders to force consideration by our company of a take-over proposal or to take certain corporate actions, including the removal of directors.

In addition, Section 203 of the Delaware General Corporation Law, or the DGCL, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with an interested stockholder who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. This provision could have the effect of delaying or preventing a change in control of our company, whether or not it is desired by or beneficial to our stockholders. Further, other provisions of Delaware law may also discourage, delay or prevent someone from acquiring us or merging with us.

Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.

Our certificate of incorporation that will become effective upon the completion of this offering provides that, unless we consent in writing to an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, any action asserting a claim arising pursuant to any provision of the DGCL, our certificate of incorporation or our bylaws or any action asserting a claim that is governed by the internal affairs doctrine, in each case subject to the Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein and the claim not being one which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery or for which the Court of Chancery does not have subject matter jurisdiction. In addition, unless we consent in writing to the selection of an alternative forum, the U.S. District Court for the District of Delaware shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Any person purchasing or otherwise acquiring any interest in any shares of our capital stock shall be deemed to have notice of and to have consented to this provision of our certificate of incorporation. This choice of forum provision may limit our stockholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and our directors, officers, employees and agents even though an action, if successful, might benefit our stockholders. Stockholders who do bring a claim in the Court of Chancery could face additional litigation costs in pursuing any such claim, particularly if they do not reside in or near Delaware. The Court of Chancery may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments or results may be more favorable to us than to our stockholders. Alternatively, if a court were to find this provision of our certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could have a material adverse effect on our business, financial condition or results of operations.

We have not paid dividends in the past and do not expect to pay dividends in the future, and any return on investment may be limited to the value of our stock.

We have never declared or paid cash dividends on our common stock and do not anticipate paying cash dividends on our common stock in the foreseeable future. The payment of dividends on our common stock will depend on our earnings, financial condition and other business and economic factors affecting us at such time as our board of directors may consider relevant. In addition, pursuant to the Loan Agreement with Silicon Valley Bank, we are prohibited from paying cash dividends without the prior written consent of Silicon Valley Bank and future debt instruments may materially restrict our ability to pay dividends on our common stock. If we do not pay dividends, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

If a trading market for our common stock develops, the trading market will depend in part on the research and reports that securities or industry analysts publish about us and our business. We do not currently have and may never obtain research coverage by securities and industry analysts. As a newly public company, we may be slow to attract research coverage and the analysts who publish information about our common stock will have had relatively little experience with us or our industry, which could affect their ability to accurately forecast our results and could make it more likely that we fail to meet their estimates. Analysts may elect not to provide research coverage of our common stock after the closing of this offering, and such lack of research coverage may adversely affect the market price of our common stock. In the event we obtain analyst coverage, we will not have any control of the analysts or the content and opinions included in their reports. The price of our common stock could decline if one or more analysts downgrade our common stock or issue inaccurate or unfavorable commentary or research about our business. If one or more analysts cease coverage of our company or fail to publish reports on us regularly, demand for our common stock could decrease, which in turn could cause the trading price or trading volume of our common stock to decline and could result in the loss of all or part of your investment in us.

FORWARD-LOOKING STATEMENTS AND STATISTICAL DATA

Special Note Regarding Forward-Looking Statements

This prospectus contains forward-looking statements that involve risks and uncertainties, including statements based on our current expectations, assumptions, estimates and projections about future events, our business, financial condition, results of operations and prospects, our industry and the regulatory environment in which we operate. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would” or the negative of those terms, or other comparable terms intended to identify statements about the future. Forward-looking statements include, but are not limited to, statements about:

- our ability to obtain and maintain regulatory approvals of our r-SNM System;
- our ability to successfully commercialize our r-SNM System in the United States, if approved, and internationally;
- commercial success, ability to capture market share and market acceptance of our r-SNM System;
- our ability to enhance our r-SNM System and expand what our r-SNM System is indicated for;
- our ability to achieve and maintain adequate levels of coverage or reimbursement for our r-SNM System;
- our ability to build our own sales and marketing capabilities, or seek collaborative partners, to commercialize our r-SNM System;
- our ability to accurately forecast customer demand for our r-SNM System and manage our inventory;
- our ability to retain our senior management and hire other highly qualified personnel, including a sales force;
- developments and projections relating to our competitors and our industry, including competing products and therapies for the treatment of OAB;
- the accuracy of our estimates regarding expenses, future revenue and needs for additional financing;
- FDA or other United States or foreign regulatory actions affecting us or the healthcare industry generally, including healthcare reform measures in the United States and international markets;
- the timing or likelihood of regulatory filings and approvals or clearances;
- any supplier shortages related to our r-SNM System or its components and any manufacturing disruptions which may impact our inventory supply as we expand our business;
- our ability to establish and maintain intellectual property protection for our r-SNM System or avoid claims of infringement of third party intellectual property;
- the volatility of the trading price of our common stock; and
- our use of the net proceeds from this offering.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions described under the section entitled “Risk Factors” and elsewhere in this prospectus. We also operate in a very competitive and rapidly changing environment. New risks emerge from time to time and it is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in, or

implied by, any forward-looking statements. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances described in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements contained in this prospectus.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, the future results, levels of activity, performance, events, circumstances or achievements reflected in the forward-looking statements may never be achieved or occur. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this prospectus to conform these statements to actual results or to changes in our expectations.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the SEC as exhibits to the registration statement on Form S-1, of which this prospectus is a part, with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

Statistical Data

We obtained the industry, statistical and market data, including our general expectations, market position and market opportunity, in this prospectus from our own internal estimates and research as well as from industry and general publications and research, surveys and studies conducted by third parties. All of the market data used in this prospectus involves a number of assumptions and limitations. While we believe that the information from these industry publications, surveys and studies is reliable, the industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of important factors, including those described in the section entitled “Risk Factors.” These and other factors could cause results to differ materially from those expressed in the estimates made by third parties and by us.

USE OF PROCEEDS

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

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1.0 million shares in the number of shares offered by us at the assumed initial public offering price, as set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us by $ million, assuming the shares of our common stock offered by this prospectus are sold at the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to fund the commercial launch of our r-SNM System in the United States, if approved by the FDA. We intend to use the net proceeds from this offering as follows:

- approximately $ to hire a specialty sales force of approximately 60 sales representatives, which we will initially endeavor to hire in anticipation of our potentially receiving FDA approval to support the commercial launch of our r-SNM System in the United States;
- approximately $ to fund the technological enhancement of our r-SNM System, consisting of 1.5T/3.0T MRI full body conditional labelling for our r-SNM System, a reduction by half in the number of IPG battery recharging sessions required for the IPG to remain charged for one full month, and other compatibility features that would enable us to compete with the replacement of the IPG of InterStim II;
- approximately $ to conduct SNM-related research and development activities, consisting of expanding the suite of product solutions available for SNM therapy over time; and
- the remainder for working capital and general corporate purposes.

As of the date of this prospectus, we cannot estimate with certainty the amount of net proceeds to be used for the purposes described above. We may find it necessary or advisable to use the net proceeds for other purposes, and we will have broad discretion in the application of the net proceeds. Pending the uses described above, we plan to invest the net proceeds from this offering in short- and intermediate-term, interest-bearing obligations, investment-grade instruments or other securities.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock and we do not currently intend to pay any cash dividends on our capital stock for the foreseeable future. We intend to retain all available funds and any future earnings, if any, for use in the operation of our business and do not anticipate paying cash dividends in the foreseeable future. In addition, pursuant to the Loan Agreement with Silicon Valley Bank, we are prohibited from paying cash dividends without the prior written consent of Silicon Valley Bank and future debt instruments may materially restrict our ability to pay dividends on our common stock. Any future determination related to our dividend policy will be made at the discretion of our board of directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements, tax considerations, legal or contractual restrictions, business prospects, the requirements of current or then-existing debt instruments, general economic conditions and other factors our board of directors may deem relevant.

CAPITALIZATION

The following table sets forth our cash, cash equivalents and short-term investments and capitalization as of June 30, 2018:

- on an actual basis;
- on a pro forma basis to give effect to: (i) the automatic exchange of the exchanged preferred stock immediately prior to the completion of this offering, (ii) the automatic conversion of all outstanding shares of our preferred stock, including the exchanged preferred stock, into 13,177,211 shares of our common stock upon completion of this offering, and (iii) the filing and effectiveness of our certificate of incorporation, which will occur immediately prior to the completion of this offering; and
- on a pro forma as adjusted basis to give further effect to our issuance and sale of shares of common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma and pro forma as adjusted information below is illustrative only and our capitalization following the completion of this offering is subject to adjustment based on the initial public offering price of our common stock and other terms of this offering determined at pricing. You should read the following table in conjunction with "Use of Proceeds," "Selected Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and other financial information contained in this prospectus, including the consolidated financial statements and related notes included elsewhere in this prospectus.

	As of June 30, 2018		
	Actual(1) (unaudited, restated)	Pro Forma (unaudited)	Pro Forma As Adjusted(2) (unaudited)
	(in thousands, except share and per share data)		
Cash, cash equivalents and short-term investments	$ 39,881	$	$
Debt, net(3)	$ 8,985	$	$
Mezzanine equity:			
Series A Convertible Preferred Stock, par value $0.0001 per share, 1,030,000 shares authorized, 719,500 shares issued and outstanding, actual, no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	14,021		
Series B-1 Convertible Preferred Stock, par value $0.0001 per share, 2,529,862 shares authorized, 1,925,302 shares issued and outstanding, actual, no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	13,757		
Series B-2 Convertible Preferred Stock, par value $0.0001 per share, 2,537,231 shares authorized, 2,213,794 shares issued and outstanding, actual, no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	17,572		
Series C Convertible Preferred Stock, par value $0.0001 per share, 6,188,888 shares authorized, 4,131,546 shares issued and outstanding, actual, no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	36,776		
Noncontrolling interest in Axonics Europe S.A.S.	31,066		
Stockholders' deficit:			
Common Stock, par value $0.0001 per share, 17,500,000 shares authorized, 2,354,410 shares issued and outstanding, actual; shares authorized, shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted	0		
Preferred Stock, par value $0.0001 per share; no shares authorized, issued and outstanding, actual; shares authorized, no shares issued and outstanding, pro forma and pro forma as adjusted			
Additional paid-in capital	3,230		
Stock subscription receivable(4)	(1,824)		
Accumulated deficit	(82,418)		
Accumulated other comprehensive loss	(406)		
Total stockholders' deficit	(81,418)		
Total capitalization	$ 40,760	$	$

(1) See Note 10 to our consolidated financial statements appearing elsewhere in this prospectus for more information on the restatements of certain of our financial statements.

(2) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash, cash equivalents and short-term investments, total assets and total stockholders' deficit by approximately $, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1.0 million shares in the number of shares offered by us at the assumed initial public offering price, as set forth on the cover page of this prospectus, would increase (decrease) each of cash, cash equivalents and short-term investments, total assets and total stockholders' deficit by approximately $, assuming the shares of our common stock offered by this prospectus are sold at the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(3) Represents gross proceeds from the Term Loan of $10.0 million, net of unamortized debt issuance costs of $1,015,098.

(4) Includes outstanding promissory notes as of June 30, 2018, with an aggregate principal balance of $1,782,268.70, that were issued to us by certain of our executive officers and directors in exchange for the exercise of an aggregate of 1,377,656 shares of common stock pursuant to stock option awards. We have entered into debt forgiveness and cancellation of note agreements with certain of our executive officers and directors, including each of our named executive officers, to terminate each of their respective promissory notes and to forgive all respective obligations for payment thereof in connection with this offering. See "Certain Relationships and Related Party Transactions—Loans to Officers and Directors."

The number of shares of common stock shown as issued and outstanding in the table excludes, as of June 30, 2018:

- 1,187,229 shares of our common stock issuable upon the exercise of outstanding stock options under the 2014 Plan, at a weighted-average exercise price of $1.61 per share;
- 32,142 shares of our common stock reserved for future issuance under the 2014 Plan;
- shares of our common stock reserved for future issuance under the 2018 Plan, which we intend to adopt, and ask our stockholders to approve, prior to the completion of this offering;
- 33,334 shares of our common stock issuable upon the exercise of outstanding warrants to purchase shares of our Series C preferred stock, which will convert into warrants to purchase 33,334 shares of our common stock in connection with the closing of this offering, at an exercise price of $9.00 per share; and
- up to 33,332 shares of our common stock issuable upon exercise of warrants to purchase shares of our Series C preferred stock, which will convert into warrants to purchase up to 33,332 shares of our common stock in connection with the closing of this offering, at an exercise price of $9.00 per share, that we will be required to issue in the event we borrow an additional $10.0 million under the Loan Agreement with Silicon Valley Bank.

The number of shares of preferred stock shown as issued and outstanding in the table excludes, as of June 30, 2018:

- 310,500 shares of our Series A preferred stock issuable upon the exchange of shares of Axonics Europe, which will automatically occur immediately prior to the completion of this offering in accordance with the Share Exchange Agreement;
- 604,560 shares of our Series B-1 preferred stock issuable upon the exchange of shares of Axonics Europe, which will automatically occur immediately prior to the completion of this offering in accordance with the Share Exchange Agreement;
- 323,437 shares of our Series B-2 preferred stock issuable upon the exchange of shares of Axonics Europe, which will automatically occur immediately prior to the completion of this offering in accordance with the Share Exchange Agreement; and
- 1,990,676 shares of our Series C preferred stock issuable upon the exchange of shares of Axonics Europe, which will automatically occur immediately prior to the completion of this offering in accordance with the Share Exchange Agreement.

DILUTION

If you invest in our common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share and the pro forma as adjusted net tangible book value per share of our common stock after this offering.

Our historical net tangible book value is the amount of our total tangible assets less our liabilities. Our historical net tangible book value per share is our historical net tangible book value divided by the number of shares of common stock outstanding as of June 30, 2018. Our historical net tangible book value as of June 30, 2018 was approximately $31.53 million or $13.39 per share of common stock.

Our pro forma net tangible book value as of June 30, 2018 was $ million, or $ per share of common stock. Pro forma net tangible book value per share represents our net tangible book value divided by the number of shares of our common stock outstanding as of June 30, 2018, after giving effect to the automatic exchange of the exchanged preferred stock immediately prior to the completion of this offering, and the automatic conversion of all outstanding shares of our preferred stock, including the exchanged preferred stock, into 13,177,211 shares of our common stock upon completion of this offering.

After giving further effect to our sale of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of June 30, 2018 would have been approximately $ million, or approximately $ per share. This amount represents an immediate increase in pro forma net tangible book value of $ per share to our existing stockholders and an immediate dilution in pro forma net tangible book value of approximately $ per share to new investors purchasing shares of our common stock in this offering. We determine dilution by subtracting our pro forma as adjusted net tangible book value per share after this offering from the amount of cash per common share paid by new investors in this offering.

The following table illustrates this dilution:

Assumed initial public offering price per share		$
Historical net tangible book value per share as of June 30, 2018	$13.39	
Increase in pro forma net tangible book value		
Pro forma net tangible book value per share as of June 30, 2018, before giving effect to this offering		
Increase in pro forma net tangible book value per share attributable to new investors participating in this offering		
Pro forma as adjusted net tangible book value per share after this offering		
Dilution in pro forma net tangible book value per share to investors purchasing in this offering		$

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted net tangible book value (deficit) per share after this offering by approximately $ per share and the dilution in pro forma net tangible book value (deficit) per share to investors purchasing in this offering by approximately $ per share, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, a 1.0 million share increase in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase the pro forma as adjusted net

tangible book value (deficit) per share after this offering by approximately $ and decrease the dilution in pro forma net tangible book value (deficit) per share to investors purchasing in this offering by approximately $, assuming the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. A 1.0 million share decrease in the number of shares offered by us, as set forth on the cover page of this prospectus, would decrease the pro forma as adjusted net tangible book value (deficit) per share after this offering by $ and increase the dilution in pro forma net tangible book value (deficit) per share to investors purchasing in this offering by approximately $ per share, assuming the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise in full their option to purchase additional shares of our common stock in this offering, the pro forma as adjusted net tangible book value per share after this offering would be $, the increase in pro forma net tangible book value per share attributable to new investors would be $ and the dilution per share to new investors would be $, in each case assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus.

The following table summarizes, as of June 30, 2018, on the pro forma as adjusted basis described above, the difference between our existing stockholder and the investors purchasing in this offering with respect to the number of shares of common stock purchased from us, the total consideration paid to us and the average price paid per share paid to us, based on an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders					
New investors					
Total					

The dilution information discussed above is illustrative only and will change based on the actual initial public offering price, the number of shares we sell and other terms of this offering that will be determined at pricing.

If the underwriters exercise their option to purchase additional shares of our common stock in full, the total consideration paid by new investors and the average price per share paid by new investors would be approximately $ million and $ per share, respectively, in each case assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus.

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid by new investors and the average price per share paid by new investors by $ million and $ per share, respectively. An increase (decrease) of 1.0 million shares in the number of shares offered by us would increase (decrease) the total consideration paid by new investors and the average price per share paid by new investors by $ million and $ per share, respectively.

To the extent any of the outstanding options or warrants described below are exercised, new options are issued or we issue additional shares of common stock or other equity or convertible debt securities in the future, there will be further dilution to investors participating in this offering. If all of the outstanding options and

warrants described below were exercised, our pro forma net tangible book value at June 30, 2018, before giving effect to the issuance and sale of shares of our common stock in this offering, would have been approximately $ million, or $ per share of common stock. After giving further effect to our sale of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of June 30, 2018 would have been approximately $ million, or approximately $ per share, causing dilution to new investors of approximately $ per share.

The foregoing tables are based on the number of shares of our common stock outstanding as of June 30, 2018, after giving effect to the conversion of all of our outstanding shares of preferred stock, and exclude:

- 1,187,229 shares of our common stock issuable upon the exercise of outstanding stock options under the 2014 Plan, at a weighted-average exercise price of $1.61 per share;
- 32,142 shares of our common stock reserved for future issuance under the 2014 Plan;
- shares of our common stock reserved for future issuance under the 2018 Plan, which we intend to adopt, and ask our stockholders to approve, prior to the completion of this offering;
- 33,334 shares of our common stock issuable upon the exercise of outstanding warrants to purchase shares of our Series C preferred stock, which will convert into warrants to purchase 33,334 shares of our common stock in connection with the closing of this offering, at an exercise price of $9.00 per share; and
- up to 33,332 shares of our common stock issuable upon exercise of warrants to purchase shares of our Series C preferred stock, which will convert into warrants to purchase up to 33,332 shares of our common stock in connection with the closing of this offering, at an exercise price of $9.00 per share, that we will be required to issue in the event we borrow an additional $10.0 million under the Loan Agreement with Silicon Valley Bank.

Furthermore, we may choose to raise additional capital through the sale of equity or convertible debt securities due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that any outstanding stock options are exercised, new stock options are issued under the 2014 Plan or 2018 Plan, or we issue additional shares of common stock or other equity or convertible debt securities in the future, there will be further dilution to investors purchasing in this offering.

Certain of our existing stockholders that are affiliated with certain of our directors have indicated an interest in purchasing an aggregate of up to approximately $ million in shares of our common stock in this offering at the initial public offering price. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters may determine to sell more, fewer or no shares in this offering to any or all of these stockholders, or any or all of these stockholders may determine to purchase more, fewer or no shares in this offering. The underwriters will receive the same underwriting discount on any shares purchased by these stockholders as they will on any other shares sold to the public in this offering. The foregoing discussion does not give effect to any potential purchases by these stockholders in this offering.

SELECTED FINANCIAL DATA

The following tables contain selected portions of our financial data. We derived our selected consolidated statements of comprehensive loss for the years ended December 31, 2016 and 2017, and our selected consolidated balance sheets data as of December 31, 2016 and 2017, from our audited consolidated financial statements and related notes included elsewhere in this prospectus. We derived our selected consolidated statements of comprehensive loss for the six months ended June 30, 2017 and 2018, and our selected consolidated balance sheets data as of June 30, 2018, from our unaudited interim consolidated financial statements that are included elsewhere in this prospectus. We have prepared this unaudited information on the same basis as the audited consolidated financial statements and have included all adjustments, consisting only of normal recurring adjustments, that we consider necessary for a fair statement of our financial position and operating results for such period. Our historical results are not necessarily indicative of the results that may be expected or may actually occur in the future, and our interim results are not necessarily indicative of the expected results for future interim periods or the full year. The selected financial data should be read together with our consolidated financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

The following table is presented in thousands, except for share and per share data:

	Year Ended December 31,		Six Months Ended June 30,	
	2016	2017	2017	2018
			(unaudited)	
Statements of Comprehensive Loss:				
Net revenue	$ —	$ 128	$ —	$ 12
Cost of goods sold	—	118	—	5
Gross profit	—	10	—	7
Operating expenses				
Research and development	$ 12,510	$ 12,332	$ 5,827	$ 10,721
General and administrative	4,457	4,823	2,417	3,071
Sales and marketing	517	1,029	399	1,359
Total operating expenses	17,484	18,184	8,643	15,151
Loss from operations	(17,484)	(18,174)	(8,643)	(15,144)
Other income (expense), net	83	113	36	(108)
Net loss	$ (17,401)	$ (18,061)	$ (8,607)	$ (15,252)
Foreign currency translation adjustment	—	588	69	(3)
Comprehensive loss	$ (17,401)	$ (17,473)	$ (8,538)	$ (15,255)
Net loss per share, basic and diluted(1)	$ (9.03)	$ (8.45)	$ (4.32)	$ (6.51)
Weighted-average shares used to compute basic and diluted net loss per share(1)	1,927,936	2,137,463	1,990,885	2,342,643
Pro forma net loss per share, basic and diluted(1)(2)(3) (unaudited)		$ (1.18)		$ (0.98)
Pro forma weighted-average shares used to compute basic and diluted net loss per share(1)(2)(3) (unaudited)		15,314,674		15,519,854

(1) See Note 1 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate the basic and diluted net loss per common share and the shares used in the computation of the per share amounts.

(2) The pro forma net loss per share of common stock, basic and diluted, for the year ended December 31, 2017 and the six months ended June 30, 2018 reflects: (i) the automatic exchange of the exchanged preferred stock immediately prior to the completion of this offering, (ii) the automatic conversion of all outstanding shares of our preferred stock, including the exchanged preferred stock, into 13,177,211 shares of our common stock upon completion of this offering, and (iii) the filing and effectiveness of our certificate of incorporation, which will occur immediately prior to the completion of this offering.

(3) The pro forma net loss per share of common stock, basic and diluted, does not give effect to the issuance of shares from the proposed initial public offering nor do they give effect to potential dilutive securities where the impact would be anti-dilutive.

The following table is presented in thousands:

	As of December 31,		As of June 30, 2018 (unaudited, restated)
	2016 (restated)	2017	
Balance Sheets Data:(1)			
Cash, cash equivalents and short-term investments	$ 8,209	$ 24,398	$ 39,881
Property and equipment, net	1,167	1,530	1,459
Intangible asset, net	656	541	483
Total assets	10,856	29,412	45,800
Total liabilities	1,787	2,540	14,024
Convertible preferred stock	45,350	62,226	82,126
Noncontrolling interest in Axonics Europe S.A.S.	13,150	31,066	31,066
Additional paid-in capital	1,843	2,900	3,230
Stock subscription receivable(2)	(1,178)	(1,753)	(1,824)
Accumulated deficit	(49,105)	(67,166)	(82,418)
Total stockholders' deficit	(49,431)	(66,421)	(81,418)

(1) See Note 10 to our consolidated financial statements appearing elsewhere in this prospectus for more information on the restatements of certain of our financial statements, including our consolidated balance sheets.

(2) Includes outstanding promissory notes as of June 30, 2018, with an aggregate principal balance of $1,782,268.70, that were issued to us by certain of our executive officers and directors in exchange for the exercise of an aggregate of 1,377,656 shares of common stock pursuant to stock option awards. We have entered into debt forgiveness and cancellation of note agreements with certain of our executive officers and directors, including each of our named executive officers, to terminate each of their respective promissory notes and to forgive all respective obligations for payment thereof in connection with this offering. See "Certain Relationships and Related Party Transactions—Loans to Officers and Directors."

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

The following discussion and analysis should be read in conjunction with "Selected Financial Data" and our consolidated financial statements and related notes included elsewhere in this prospectus. This discussion and analysis gives effect to the restatement of our consolidated financial statements as described in Note 10 to our consolidated financial statements included elsewhere in this prospectus. This discussion and analysis and other parts of this prospectus contain forward-looking statements based upon current beliefs, plans and expectations that involve risks, uncertainties and assumptions. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of several factors, including those set forth under "Risk Factors" and elsewhere in this prospectus. You should carefully read the "Risk Factors" section of this prospectus to gain an understanding of the important factors that could cause actual results to differ materially from our forward-looking statements. Please also see the section entitled "Forward-Looking Statements and Statistical Data" in this prospectus.

Overview

We are a medical technology company focused on the design, development, and commercialization of innovative and minimally invasive SNM solutions. SNM therapy is primarily used to treat patients with OAB, FI, and UR. Our r-SNM System delivers mild electrical pulses to the targeted sacral nerve in order to restore normal communication to and from the brain to reduce the symptoms of OAB, FI, and UR. We believe our proprietary r-SNM System offers significant advantages, including being the first and only rechargeable SNM system that is designed to be 60% smaller than existing technology and to last approximately 15 years. We currently have marketing approvals in Europe, Canada, and Australia for OAB, FI, and UR, and expect to submit a PMA application to the FDA for UUI, a predominant OAB subtype, during the first quarter of 2019. We believe our r-SNM System has the potential to disrupt and grow the approximately $605 million global SNM market in 2017, which is currently controlled by a single participant.

Since we commenced operations in late 2013, we have generated minimal revenue, as our activities have consisted primarily of developing our r-SNM System, conducting our RELAX-OAB post-market clinical follow up study in Europe and our ARTISAN-SNM pivotal study in the United States and Europe, and filing for regulatory approvals. In the future, if our r-SNM System is approved in the United States, we expect to generate revenue from product sales. Our ability to generate revenue and become profitable will depend on our ability to successfully commercialize our r-SNM System and any product enhancements we may advance in the future. Although we have begun limited commercial activities in Europe, our main priority is the United States where we expect to begin to commercialize and market our r-SNM System and generate revenue from product sales if and when approved by the FDA. We plan to establish a significant commercial infrastructure in anticipation of potential FDA approval of our r-SNM System. We expect to derive future revenue by increasing patient and physician awareness of our r-SNM System, hiring our own dedicated salesforce, and obtaining additional regulatory approvals. In addition, we plan to strategically expand into favorable international markets where reimbursement is established. If we are unable to accomplish any of these objectives, it could have a significant negative impact on our future revenue. If we fail to generate revenue in the future, our business, results of operations, financial condition, cash flows, and future prospects would be materially and adversely affected.

In the United States, the cost required to treat each patient is reimbursed through various third-party payors, such as commercial payors and government agencies. Most large insurers have established coverage policies in place to cover SNM therapy. Certain commercial payors have a patient-by-patient prior authorization process that must be followed before they will provide reimbursement for SNM therapy. Outside the United States, reimbursement levels vary significantly by country and by region, particularly based on whether the country or region at issue maintains a single-payor system. Annual healthcare budgets generally determine the number of SNM systems that will be paid for by the payor in these single-payor system countries and regions.

We currently outsource the manufacture of all components of our r-SNM System. We plan to continue with an outsourced manufacturing arrangement for the foreseeable future. We believe that our contract manufacturers are recognized in their field for their competency to manufacture the respective portions of our r-SNM System and have quality systems established that meet FDA requirements. We believe the manufacturers we currently utilize have sufficient capacity to meet our launch requirements and are able to scale up their capacity relatively quickly with limited capital investment.

We have devoted substantially all of our resources to research and development activities related to our r-SNM System, including clinical and regulatory initiatives to obtain marketing approvals. In anticipation of potential FDA approval, we expect to spend a significant amount of our existing resources on sales and marketing activities as we begin to commercialize and market our r-SNM System in the United States. Furthermore, we expect to incur additional costs associated with operating as a public company, including significant legal, accounting, investor relations and other expenses that we did not incur as a private company. We incurred net losses of $17.4 million, $18.1 million, and $15.3 million for the years ended December 31, 2016 and 2017 and the six months ended June 30, 2018, respectively, and had an accumulated deficit of $82.4 million as of June 30, 2018. As of June 30, 2018, we had available cash, cash equivalents and short-term investments of approximately $39.9 million, current liabilities of approximately $5.0 million, and long-term liabilities of approximately $9.0 million.

To date, we have financed our operations primarily through preferred stock financings and amounts borrowed under the Loan Agreement with Silicon Valley Bank. We have invested heavily in product development and continuous improvement to our r-SNM System. We have also made significant investments in clinical studies to demonstrate the safety and effectiveness of our r-SNM System and to support regulatory submissions. We intend to make significant investments to build our sales and marketing organization by increasing the number of United States and global sales representatives to market our product in markets throughout United States, Canada, Europe, and Australia. We also intend to continue to make investments in research and development efforts to develop our next generation r-SNM System and support our potential future regulatory submissions for expanded labeling and for expansion into additional international markets. Because of these and other factors, we expect to continue to incur net losses for the next few years and we expect to require additional funding, which may include future equity and debt financings. Adequate funding may not be available to us on acceptable terms, or at all. Our failure to obtain sufficient funds on acceptable terms when needed could have a material and adverse effect on our business, financial condition, and results of operations.

AMF License Agreement

On October 1, 2013, we entered into the License Agreement pursuant to which AMF agreed to license to us the AMF IP to develop and commercialize the AMF Licensed Products. Any and all improvements to the AMF IP made by us will be owned by AMF and licensed to us under the License Agreement for purposes of making AMF Licensed Products.

The initial term of the License Agreement is from October 1, 2013 to October 1, 2033, and will automatically continue until all patents are no longer in force. Upon completion of the initial term, the license granted pursuant to the License Agreement will be fully paid-up and perpetual except that if we wish to continue to practice any of the patents licensed to us by AMF that remain in force after such initial term, then we will have to continue to pay a reduced royalty for so long as such patent remains in force.

The license is co-exclusive with AMF solely with respect to (i) AMF IP resulting from AMF's performance of any engineering services rendered under the License Agreement, and (ii) AMF's right to use AMF IP for non-commercial research, educational and scholarly purposes.

We granted to AMF a royalty-free, worldwide, sublicensable, perpetual, exclusive license to any patent rights controlled by us that arise out of our improvements to the inventions claimed in the AMF IP, or the

Axonics Licensed IP. This license granted by us to AMF explicitly excludes uses of the Axonics Licensed IP that are within the scope of the exclusive license of the AMF IP granted by AMF to us. Such license is irrevocable unless we terminate the License Agreement and AMF does not agree to pay us compensation for such license mutually agreed between us and AMF or determined by arbitration in accordance with the terms of the License Agreement.

In addition, the License Agreement provides AMF with the option, or the AMF Option, to license from us any intellectual property developed and owned by us or otherwise in our control, that is related to electrical stimulation of human tissue, separate from the Axonics Licensed IP and AMF IP, on terms that are materially consistent with the terms upon which we license the AMF IP pursuant to the License Agreement, and subject to field of use restrictions that would be determined upon the exercise of the AMF Option. AMF has expressly declined in writing to exercise the AMF Option.

Pursuant to the License Agreement, we are obligated to pay a 4% royalty of all net revenue derived from the AMF Licensed Products if one of the following conditions applies: (i) one or more valid claims within any of the patents licensed to us by AMF covers such AMF Licensed Products or the manufacture of such AMF Licensed Products or (ii) for a period of 12 years from the first commercial sale anywhere in the world of such AMF Licensed Product, in each case, subject to certain adjustments.

In 2017, we sold several of our r-SNM Systems as part of a one-time evaluation agreement with a hospital in Canada. As a result, we generated net revenue of $128,118 and recorded related royalties of $4,972 during the fiscal year ended December 31, 2017. No revenue was generated and no payments were made during the fiscal year ended December 31, 2016. In addition, beginning in 2018, we are required to pay AMF a minimum annual royalty, or the Minimum Royalty, payable quarterly if the royalty due is in excess of the Minimum Royalty, which will automatically increase each calendar year thereafter, subject to a maximum amount of $200,000 per year. We have accrued $37,500 as of June 30, 2018 toward AMF Minimum Royalties. Under the License Agreement, for each calendar year beginning in 2018, we are obligated to pay AMF the greater of (i) the amount of the 4% royalty referred to above, and (ii) the Minimum Royalty for such calendar year beginning with 2018. We have 60 days to pay AMF this amount, and if we fail to pay AMF within such 60-day period, AMF may, at its election, convert the exclusive license to a non-exclusive license or terminate the License Agreement.

The License Agreement was amended twice in February 2014, once in connection with our Series A preferred stock financing, in order to, among other things, include the field of the treatment of urinary and fecal dysfunction in humans through the application of electrical energy anywhere in or on the human body, within the scope of the licenses granted therein, an option under the License Agreement that required us to pay $1.0 million. In consideration for the inclusion of this field with the scope of the licenses granted in License Agreement, we issued AMF 50,000 shares of our Series A preferred stock.

As of June 30, 2018, AMF holds 740,000 shares of our common stock, 125,000 shares of our Series A preferred stock, and 771,161 shares of our Series B-1 preferred stock. John Petrovich, a member of our board of directors, is the President, Chief Executive Officer, Senior Vice President of Business Development, and General Counsel of AMF.

For additional information about the License Agreement, see “Business—AMF License Agreement.”

Components of Our Results of Operations

Net Revenue

Since we commenced operations in late 2013, we have generated minimal revenue, as our activities have consisted primarily of developing our r-SNM System, conducting our RELAX-OAB post-market clinical

follow up study in Europe and our ARTISAN-SNM pivotal study in the United States and Europe, and filing for regulatory approvals. In the future, if our r-SNM System is approved in the United States, we expect to generate revenue from product sales. Our ability to generate revenue and become profitable will depend on our ability to successfully commercialize our r-SNM System and any product enhancements we may advance in the future. Although we have begun limited commercial activities in Europe, our main priority is the United States where we expect to begin to commercialize and market our r-SNM System and generate revenue from product sales if and when approved by the FDA. We plan to establish a significant commercial infrastructure in anticipation of potential FDA approval of our r-SNM System. We expect to derive future revenue by increasing patient and physician awareness of our r-SNM System, hiring our own dedicated salesforce, and obtaining additional regulatory approvals. In addition, we plan to strategically expand into favorable international markets where reimbursement is established. If we are unable to accomplish any of these objectives, it could have a significant negative impact on our future revenue. If we fail to generate revenue in the future, our business, results of operations, financial condition, cash flows, and future prospects would be materially and adversely affected.

Cost of Goods Sold and Gross Margin

Cost of goods sold consists primarily of acquisition costs of the components of our r-SNM System, third-party contract labor costs, overhead costs, as well as distribution-related expenses such as logistics and shipping costs, net of costs charged to customers. The overhead costs include the cost of material procurement and operations supervision and management personnel. We expect overhead costs as a percentage of revenue to decrease as our sales volume increases, if our product is approved in the United States. In the future, our cost of goods sold will include expenses associated with our payment of royalties to AMF when we exceed the Minimum Royalty threshold, as well as scrap and inventory obsolescence. The Minimum Royalty amounts are currently included in research and development expenses. We expect cost of goods sold to increase in absolute dollars primarily as, and to the extent, our revenue grows. We expect gross margin to vary based on regional differences in pricing and discounts negotiated by customers.

We calculate gross margin as gross profit divided by revenue. Revenues have been insignificant to date with prices based on evaluation agreements with one-time discounts offered. We expect future gross margin will be affected by a variety of factors, including manufacturing costs, the average selling price of our r-SNM System, the implementation of cost-reduction strategies, inventory obsolescence costs, which may occur when new generations of our r-SNM System are introduced, and to a lesser extent, the sales mix between the United States, Canada, Europe and Australia as our average selling price in the United States is expected to be higher than in Canada, Europe and Australia. Our gross margin may increase over the long term to the extent our production volumes increase and we receive discounts on the costs charged by our contract manufacturers, thereby reducing our per unit costs. Additionally, our gross margin may fluctuate from quarter to quarter due to seasonality.

Research and Development Expenses

The largest component of our total operating expenses has historically been research and development expenses. Research and development expenses consist primarily of employee compensation, including stock-based compensation, product development, including testing and engineering, and clinical studies to develop and support our r-SNM System, including clinical study management and monitoring, payments to clinical investigators, and data management. Other research and development expenses include consulting and advisory fees, travel expenses, and equipment-related expenses and other miscellaneous office and facilities expenses related to research and development programs. Research and development costs are expensed as incurred. We expect research and development expenses to increase in the future as we develop next generation versions of our r-SNM System and continue to expand our clinical studies to potentially add additional indications and expand to new markets. We expect research and development expenses as a percentage of revenue to vary over time depending on the level and timing of initiating new product development efforts and new clinical development activities.

The following table summarizes our research and development expenses by functional area for the years ended December 31, 2017 and 2016:

	Years Ended December 31,	
	2017	2016
	(in thousands)	
Personnel related	$ 6,031	$ 4,536
Contract fabrication and manufacturing	2,159	3,083
Contract R&D and consulting	1,829	2,747
Clinical development	1,562	1,470
Other R&D expenses	751	674
Total R&D expenses	$12,332	$12,510

The following table summarizes our research and development expenses by functional area for the six months ended June 30, 2018 and 2017:

	Six Months Ended June 30,	
	2018	2017
	(in thousands) (unaudited)	
Personnel related	$ 3,784	$2,871
Clinical development	2,882	659
Contract fabrication and manufacturing	2,393	1,223
Contract R&D and consulting	1,114	735
Other R&D expenses	548	339
Total R&D expenses	$10,721	$5,827

General and Administrative Expenses

General and administrative expenses consist primarily of employee compensation, including stock-based compensation, and spending related to finance, information technology, human resource functions, consulting, legal, and professional service fees. Other general and administrative expenses include office-related expenses, facilities and equipment rentals, and travel expenses. We expect our general and administrative expenses will significantly increase in absolute dollars as we increase our headcount and expand administrative personnel to support our growth and operations as a public company including finance personnel and information technology services. Additionally, we anticipate increased expenses related to audit, legal, and tax-related services associated with maintaining compliance with regulations, exchange listing and SEC requirements, director and officer insurance premiums and investor relations costs associated with being a public company. These expenses may further increase when we no longer qualify as an “emerging growth company” under the JOBS Act, which will require us to comply with certain reporting requirements from which we are currently exempt. We expect general and administrative expenses to decrease as a percentage of revenue primarily as, and to the extent, our revenue grows.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of trade shows, booth exhibition costs, and the related travel for these events. Other sales and marketing expenses include consulting and advisory fees, market access personnel and employee compensation including stock-based compensation. In anticipation of potential FDA approval, we expect sales and marketing expenses to continue to increase in absolute dollars as we expand our commercial infrastructure to both drive and support our expected growth in revenue. In particular, we plan to hire

approximately 60 sales representatives, which we will initially endeavor to hire in anticipation of our potentially receiving FDA approval to support the potential commercial launch in the United States, which will significantly increase our sales and marketing expense. However, we expect sales and marketing expenses to decrease as a percentage of revenue primarily as, and to the extent, our revenue grows.

Other Income (Expense), Net

Other income (expense), net consists primarily of interest income earned on cash equivalents and short-term investments, net of interest expense payable under the Loan Agreement with Silicon Valley Bank, and loss on disposal of property and equipment. Other income (expenses, net also includes net unrealized mark-to-market gains (losses) on our preferred stock warrant liabilities.

Income Tax Expense

Income tax expense consists of state income taxes in California. We maintain a full valuation allowance for deferred tax assets including net operating loss carryforwards and research and development credits and other tax credits.

Results of Operations

Comparison of the Six Months Ended June 30, 2018 and 2017

The following table shows our results of operations for the six months ended June 30, 2018 and 2017:

	Six Months Ended June 30,		Period to Period Change
	2018	2017	
	(in thousands) (unaudited)		
Net revenue	$ 12	$ —	$ 12
Cost of goods sold	5	—	5
Gross profit	7	—	7
Gross Margin	*56.3%*	—	
Operating Expenses			
Research and development	10,721	5,827	4,894
General and administrative	3,071	2,417	654
Sales and marketing	1,359	399	960
Total operating expenses	15,151	8,643	6,508
Loss from operations	(15,144)	(8,643)	(6,501)
Other Income (Expense)			
Interest income	276	42	234
Other expense	(383)	(5)	(378)
Other income (expense), net	(107)	37	(144)
Loss before income tax expense	(15,251)	(8,606)	(6,645)
Income tax expense	1	1	—
Net loss	$(15,252)	$(8,607)	$ (6,645)
Foreign currency translation adjustment	(3)	69	(72)
Comprehensive loss	$(15,255)	$(8,538)	$ (6,717)

Net Revenue

Net revenue was minimal for the six months ended June 30, 2018 and was derived from the sale of one r-SNM System to a customer in the United Kingdom. We recorded no revenue for the six months ended June 30, 2017.

Cost of Goods Sold and Gross Margin

Due to the sale referenced above, we incurred minimal cost of goods sold for the six months ended June 30, 2018. We recorded no cost of goods sold for the six months ended June 30, 2017. Gross margin was 56.3% in the six months ended June 30, 2018, compared to no gross margin in the six months ended June 30, 2017.

Research and Development Expenses

Research and development expenses increased $4.9 million, or 84.0%, to $10.7 million in the six months ended June 30, 2018 compared to $5.8 million in the six months ended June 30, 2017. The increase in research and development expenses was primarily attributable to an increase of $2.2 million in clinical development costs to demonstrate the safety and effectiveness of our r-SNM System and to support regulatory submissions, an increase of $1.2 million in contract fabrication and manufacturing costs, an increase of $0.9 million in personnel costs, and an increase of $0.4 million in contract research and development and consulting expenses.

General and Administrative Expenses

General and administrative expenses increased $0.7 million, or 27.0%, to $3.1 million in the six months ended June 30, 2018, compared to $2.4 million in the six months ended June 30, 2017, primarily as a result of an increase of $0.5 million related to personnel costs and an increase of $0.1 million in consulting costs.

Sales and Marketing Expenses

Sales and marketing expenses increased $1.0 million, or 241.1%, to $1.4 million in the six months ended June 30, 2018, compared to $0.4 million in the six months ended June 30, 2017. The increase in sales and marketing expenses was primarily due to an increase of $0.6 million related to personnel costs, an increase of $0.2 million related to expenses for conferences and tradeshows, and an increase of $0.1 million in consulting costs.

Other Income (Expense), Net

Other expense, net was $0.1 million in the six months ended June 30, 2018, consisting primarily of interest expense incurred related to the Loan Agreement with Silicon Valley Bank, partially offset by interest income earned on cash equivalents and short-term investments. Other income, net was minimal in the six months ended June 30, 2017.

Income Tax Expense

Income tax expense was minimal in the six months ended June 30, 2018 and 2017.

Fiscal Year Ended December 31, 2017 Compared to Fiscal Year Ended December 31, 2016

The following table shows our results of operations for the fiscal year ended December 31, 2017 and 2016:

	Year Ended December 31,		Period to Period Change
	2017	2016	
	(in thousands)		
Net revenue	$ 128	$ —	$ 128
Cost of goods sold	118	—	118
Gross profit	10	—	10
Gross Margin	*7.9%*	—	
Operating Expenses			
Research and development	12,332	12,510	(178)
General and administrative	4,823	4,457	366
Sales and marketing	1,029	517	512
Total operating expenses	18,184	17,484	700
Loss from operations	(18,174)	(17,484)	(690)
Other Income (Expense)			
Interest income	201	84	117
Loss on disposal of property and equipment	(65)	—	(65)
Other expense	(22)	—	(22)
Other income, net	114	84	30
Loss before income tax expense	(18,060)	(17,400)	(660)
Income tax expense	1	1	—
Net loss	$(18,061)	$(17,401)	$ (660)
Foreign currency translation adjustment	588	—	588
Comprehensive loss	$(17,473)	$(17,401)	$ (72)

Net Revenue

To date, we have generated minimal revenue. In fiscal year 2017, we sold several of our r-SNM Systems as part of a one-time evaluation agreement with a hospital in Canada, resulting in net revenue of $0.1 million compared to no revenue in fiscal year 2016. This evaluation agreement was a one-time agreement for the hospital to evaluate our r-SNM System at discounted prices. We have no continuing or accruing obligations under the evaluation agreement and therefore have not generated revenue in fiscal year 2018 under such agreement. We did not sell our r-SNM System in any other region in fiscal year 2017.

Cost of Goods Sold and Gross Margin

The sale to a hospital in Canada referenced above resulted in cost of goods sold of $0.1 million in fiscal year 2017 compared to no cost of goods sold in fiscal year 2016. Gross margin was 7.9% in fiscal year 2017 compared to no gross margin in fiscal year 2016.

Research and Development Expenses

Research and development expenses decreased $0.2 million, or 1.4%, to $12.3 million in fiscal year 2017 compared to $12.5 million in fiscal year 2016. The decrease in research and development expenses was primarily attributable to a decrease of $0.9 million in contract fabrication and manufacturing expenses as we

obtained European regulatory approval and began capitalizing inventory in fiscal year 2017, a decrease of $0.9 million in contract research and development and consulting expenses, partially offset by an increase of $1.5 million in personnel costs due primarily to headcount increases, and to a lesser extent, compensation increases.

General and Administrative Expenses

General and administrative expenses increased $0.4 million, or 8.2%, to $4.8 million in fiscal year 2017 compared to $4.5 million in fiscal year 2016, primarily as a result of an increase of $0.2 million related to personnel costs and $0.2 million in travel expenses.

Sales and Marketing Expenses

Sales and marketing expenses increased $0.5 million, or 99.6%, to $1.0 million in fiscal year 2017 compared to $0.5 million in fiscal year 2016. The increase in sales and marketing expenses was primarily due to an increase of $0.4 million related to travel expenses for our U.S. and European sales personnel to attend conferences and tradeshows.

Other Income, Net

Other income, net remained relatively consistent at $0.1 million in fiscal year 2017 compared to fiscal year 2016.

Income Tax Expense

Income tax expense was minimal in fiscal year 2017 and 2016.

Seasonality

We expect that any revenue we may generate could fluctuate from quarter to quarter as a result of timing and seasonality. We anticipate mild seasonality based on national holiday patterns specific to certain nations. These seasonal variations are difficult to predict accurately, may vary amongst different markets, and at times may be entirely unpredictable. In addition to the above factors, in the United States, it is possible that we may experience seasonality based on patients' annual deductibility. In Europe, we may be required to engage in a contract bidding process in order to sell our r-SNM System, which processes are only open at certain periods of time, and we may not be successful in the bidding process. In addition, it is possible that we may experience variations in demand for our product in the first fiscal quarter of each year in Europe, following publication of new coverage status and changes in hospital budgets pertaining to allocation of funds to purchase products such as our r-SNM System.

Liquidity and Capital Resources

Since we commenced operations in late 2013, we have devoted substantially all of our resources to research and development activities related to our r-SNM System, including clinical and regulatory initiatives to obtain marketing approvals. Additionally, to date, we have generated minimal revenue from product sales and have never been profitable. While we have received regulatory approval in Europe, Canada, and Australia for OAB, FI, and UR, our main commercial priority is the United States where we expect to begin to commercialize and market our r-SNM System initially for the treatment of UUI, a predominant OAB subtype, and generate revenue from product sales if and when approved by the FDA. In addition to the United States, we expect to expend capital resources pursuing commercial operations in Europe, Canada, and Australia, the amount and timing of which will depend on a variety of factors, including whether reimbursement is available for SNM therapy in such country or region, the size of the developed market for SNM therapy and burdens to entry in any such country or region, and other factors specific to certain respective countries and regions.

We incurred net losses of $17.4 million, $18.1 million, and $15.3 million for the years ended December 31, 2016 and 2017 and the six months ended June 30, 2018, respectively, and had an accumulated deficit of $82.4 million as of June 30, 2018. In anticipation of potential FDA approval, we expect to spend a significant amount of our existing resources on sales and marketing activities as we begin to commercialize and market our r-SNM System in the United States. In particular, we plan to hire approximately 60 sales representatives, which we will initially endeavor to hire in anticipation of our potentially receiving FDA approval to support the potential commercial launch in the United States, which will significantly increase our sales and marketing expense.

As of June 30, 2018, we had cash, cash equivalents and short-term investments of $39.9 million and an accumulated deficit of $82.4 million. Through June 30, 2018, we raised an aggregate of $114.2 million in gross proceeds from private placements of our preferred stock. As of December 31, 2017, we had cash and cash equivalents of $24.4 million and an accumulated deficit of $67.2 million. Our primary sources of capital to date have been from preferred stock financings and amounts borrowed under the Loan Agreement with Silicon Valley Bank. In February 2018, we received $10.0 million from Tranche A of the Term Loan simultaneously with our entry in the Loan Agreement. As of June 30, 2018, we had $10.0 million in outstanding borrowings under the Term Loan and an ability to borrow an aggregate of $10.0 million in Tranche B and Tranche C, as discussed below under "—Indebtedness." We believe that our existing cash resources, including the remaining availability under the Loan Agreement, will be sufficient to meet our forecasted requirements for operating liquidity, capital expenditure and debt repayments for at least the next 12 months. If these sources are insufficient to satisfy our liquidity requirements, however, we may seek to sell additional equity, increase the availability under the Loan Agreement or enter into an additional loan agreement. If we raise additional funds by issuing equity securities, our stockholders would experience dilution. Debt financing, if available, may involve covenants further restricting our operations or our ability to incur additional debt. Any debt financing or additional equity that we raise may contain terms that are not favorable to us or our stockholders. Additional financing may not be available at all, or in amounts or on terms acceptable to us. If we are unable to obtain additional financing when needed to satisfy our liquidity requirements, we may be required to delay the development, commercialization and marketing of our r-SNM System.

Cash Flows

The following table presents a summary of our cash flow for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2017	2016	2018	2017
	(in thousands)		(unaudited)	
Net cash provided by (used in)				
Operating activities	$(18,174)	$(17,336)	$(13,972)	$ (8,424)
Investing activities	(1,039)	(292)	(15,451)	(250)
Financing activities	34,814	1,625	29,758	19,923
Effect of exchange rate changes on cash and cash equivalents	588	—	(3)	69
Net increase (decrease) in cash and cash equivalents	$ 16,189	$(16,003)	$ 332	$11,318

Net cash used in operating activities

Net cash used in operating activities was $18.2 million in fiscal year 2017 and consisted primarily of a net loss of $18.1 million, a decrease in net operating assets of $1.4 million, partially offset by non-cash charges of $1.3 million. Net operating assets consisted primarily of inventory to support the planned launch of our commercial operations. Non-cash charges consisted primarily of depreciation and amortization and stock-based compensation.

Net cash used in operating activities was $17.3 million in fiscal year 2016 and consisted primarily of a net loss of $17.4 million, a decrease in net operating assets of $0.9 million, partially offset by non-cash charges of $1.0 million. Net operating assets consisted primarily of accounts payable as vendor purchases were paid. Non-cash charges consisted primarily of depreciation and amortization and stock-based compensation.

Net cash used in operating activities was $14.0 million for the six months ended June 30, 2018 and consisted primarily of a net loss of $15.3 million, partially offset by non-cash charges of $0.8 million and an increase in net operating assets of $0.5 million. Net operating assets consisted primarily of inventory to support the planned launch of our commercial operations. Non-cash charges consisted primarily of depreciation and amortization and stock-based compensation.

Net cash used in operating activities was $8.4 million for the six months ended June 30, 2017 and consisted primarily of a net loss of $8.6 million, a decrease in net operating assets of $0.3 million, partially offset by non-cash charges of $0.5 million. Net operating assets consisted primarily of accounts payable due to timing of payments. Non-cash charges consisted primarily of depreciation and amortization and stock-based compensation.

Net cash used in investing activities

Net cash used in investing activities was $1.0 million in fiscal year 2017 and consisted of purchases of property and equipment. Net cash used in investing activities in fiscal year 2016 was $0.3 million and also consisted of purchases of property and equipment. Net cash used in investing activities was $15.5 million for the six months ended June 30, 2018 and consisted of purchases of short-term investments and property and equipment. Net cash used in investing activities was $0.3 million for the six months ended June 30, 2017 and consisted of purchases of property and equipment.

Net cash provided by financing activities

Net cash provided by financing activities was $34.8 million in fiscal year 2017 and consisted primarily of $35.0 million of proceeds from the issuance and sale of our Series C preferred stock.

Net cash provided by financing activities was $1.6 million in 2016 and consisted of proceeds from the issuance and sale of our Series B-2 preferred stock.

Net cash provided by financing activities was $29.8 million for the six months ended June 30, 2018 and consisted primarily of $20.1 million of proceeds from the issuance of shares of our Series C preferred stock and $10.0 million of proceeds from our Term Loan with Silicon Valley Bank.

Net cash provided by financing activities was $19.9 million for the six months ended June 30, 2017 and consisted primarily of proceeds from the issuance of shares of our Series C preferred stock.

Indebtedness

In February 2018, we entered into the Loan Agreement with Silicon Valley Bank providing for the Term Loan. Pursuant to the Loan Agreement, we may request up to $20.0 million in three tranches of term loans and such drawn obligations mature on June 1, 2021. We requested $10.0 million from Tranche A simultaneously with the entry into the Loan Agreement, which is currently outstanding. We may request Tranche B of an additional $5.0 million after the date commencing on the later of (i) the date that we achieve positive three months results in our ARTISAN-SNM pivotal study, as confirmed to Silicon Valley Bank by a member of our management team and a member of our board of directors, and (ii) July 1, 2018, and ending on December 31, 2018, and Tranche C, for an additional $5.0 million after the date commencing on the later of (i) the date that Silicon Valley Bank receives evidence, in form and substance reasonably satisfactory to Silicon Valley Bank, that we have received

our PMA in the United States for our r-SNM System or gross proceeds from the sale of our equity securities of not less than $20.0 million (which condition was satisfied when we issued and sold 2,233,333 shares of our Series C preferred stock in March 2018 for aggregate gross proceeds of $20,099,997), and (ii) January 1, 2019, and ending on March 31, 2019, subject to certain terms and conditions. If either Tranche B or Tranche C is requested, then the maturity of the Term Loan is automatically extended to December 1, 2021.

The Loan Agreement provides for monthly interest payments through December 31, 2018; provided that, (i) if we request and Silicon Valley Bank funds Tranche B or Tranche C, this interest-only period automatically extends through June 30, 2019, and (ii) we have received a PMA in the United States for our r-SNM System and we request and Silicon Valley Bank funds Tranche C, the interest-only period automatically extends through December 31, 2019. On the first day of the end of the interest only period, we will be required to repay the Term Loan in equal monthly installments of principal plus interest through maturity. Outstanding principal balances under the Term Loan bear interest at the prime rate plus 1.75%.

We may prepay amounts outstanding under the Term Loan in increments of $5.0 million at any time with 30 days prior written notice to Silicon Valley Bank. However, all prepayments of the Term Loan prior to maturity, whether voluntary or mandatory (acceleration or otherwise), shall also be subject to the payment of a prepayment fee equal to (i) for a prepayment made on or after the closing date through and including the first anniversary of the closing date, 3.00% of the principal amount of the Term Loan being prepaid, (ii) for a prepayment made after the date which is the first anniversary of the closing date through and including the second anniversary of the closing date, 2.00% of the principal amount of the Term Loan being prepaid, and (iii) for a prepayment made after the date which is the second anniversary of the closing date and before the maturity date, 1.00% of the principal amount of the Term Loan being prepaid. Additionally, on the earliest to occur of (i) the maturity date of the Term Loan, (ii) the acceleration of the Term Loan, or (iii) the prepayment of the Term Loan, we will be required to make a final payment equal to the original principal amount of such Tranche multiplied by 7.50%. We are currently accruing the portion of the final payment calculated based on the amount drawn under the Term Loan.

All obligations under the Term Loan are secured by a first priority lien on substantially all of our assets, excluding intellectual property assets and more than 65% of the shares of voting capital stock of any of our foreign subsidiaries. We have agreed with Silicon Valley Bank not to encumber our intellectual property assets without its prior written consent unless a security interest in the underlying intellectual property is necessary to have a security interest in the accounts and proceeds that are part of the assets securing the Term Loan, in which case our intellectual property shall automatically be included within the assets securing the Term Loan.

The Loan Agreement contains certain covenants that limit our ability to engage in certain transactions that may be in our long-term best interest. Subject to certain limited exceptions, these covenants limit our ability to or prohibit us to permit any of our subsidiaries to, as applicable, among other things:

- pay cash dividends on, make any other distributions in respect of, or redeem, retire or repurchase, any shares of our capital stock;
- convey, sell, lease, transfer, assign, or otherwise dispose of all or any part of our business or property;
- effect certain changes in our business, management, ownership or business locations;
- merge or consolidate with, or acquire all or substantially all of the capital stock or property of any other company;
- create, incur, assume, or be liable for any additional indebtedness, or create, incur, allow, or permit to exist any additional liens;

- make certain investments; and
- enter into transactions with our affiliates.

While we have not previously breached and are currently in compliance with the covenants contained in the Loan Agreement, we may breach these covenants in the future. Our ability to comply with these covenants may be affected by events and factors beyond our control. In the event that we breach one or more covenants, Silicon Valley Bank may choose to declare an event of default and require that we immediately repay all amounts outstanding under the applicable loan agreement, terminate any commitment to extend further credit and foreclose on the collateral. The occurrence of any of these events could have a material adverse effect on our business, financial condition and results of operations. An event of default includes, but is not limited to, the following: if we fail to make any payment under the Loan Agreement when due, if we fail or neglect to perform certain obligations under the Loan Agreement, if we violate certain covenants under the Loan Agreement, if certain material adverse changes occur, if we are unable to pay our debts as they become due or otherwise become insolvent, or if we begin an insolvency proceeding.

In addition, we issued warrants to Silicon Valley Bank and Life Science Loans II, LLC, its counterparty. Each warrant entitles the holder thereof to purchase up to 33,334 shares of our Series C preferred stock at an exercise price of $9.00 per share. Initially, each warrant is exercisable for 16,667 shares of our Series C preferred stock. If we draw on Tranche B, an additional 8,333 shares will become exercisable under each warrant and if we draw on Tranche C, an additional 8,333 shares will become exercisable under each warrant. Each warrant will expire on February 6, 2028. In connection with the completion of this offering, each warrant will convert into warrants to purchase shares of our common stock in accordance with its terms.

We have no further indebtedness arrangements.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, as defined by applicable regulations of the SEC, that are reasonably likely to have a current or future material effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

Related Party Transactions

Information concerning related party transactions is set forth in the section captioned “Certain Relationships and Related Party Transactions.”

Contractual Obligations

Our principal contractual obligations consist of the operating lease for our headquarters and certain purchase obligations and other liabilities. The following table sets out, as of December 31, 2017, our contractual obligations due by period (in thousands):

		Payments due by period			
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating Lease Obligations(1)	$ 396	$ 213	$ 183	$ —	$ —
Purchase Obligations(2)	3,418	3,418	—		
Other Long-Term Liabilities(3)	2,825	75	225	325	2,200
Total	$6,639	$ 3,706	$ 408	$ 325	$ 2,200

In February 2018, we entered into the Loan Agreement. The amounts below reflect the obligations under the Loan Agreement, including interest and principal payments and the final payment payable under the Loan Agreement.

The following table sets out, as of June 30, 2018, our contractual obligations due by period (in thousands):

		Payments due by period			
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating Lease Obligations(1)	$ 290	$ 217	$ 73	$ —	$ —
Purchase Obligations(2)	3,475	3,475	—	—	
Other Long-Term Liabilities(3)	2,788	88	250	350	2,100
Long-term Debt(4)	12,000	2,535	9,465	—	—
Total	$18,553	$ 6,315	$ 9,788	$ 350	$ 2,100

(1) Our principal office is currently located at 26 Technology Drive, Irvine, California 92618, where we lease approximately 25,548 square feet of office space under a lease that terminates on August 13, 2025, or the new lease. In addition, we maintain offices at 7575 Irvine Center Drive, Suite 200, Irvine, California 92618, where we lease approximately 12,215 square feet of space, and where we intend to conduct the training of our sales team, under a lease that terminates on October 31, 2019, or the 7575 Irvine Center lease. As of December 31, 2017 and June 30, 2018, only the 7575 Irvine Center lease was effective. In July 2018, the lease agreement for the new lease was amended to remove the contingency on the termination of the 7575 Irvine Center lease, and the new lease inception date will be the date of occupancy, or in August 2018. The aggregate base rent due over the initial term under the terms of the new lease is approximately $5.3 million (without giving effect to certain rent abatement terms). We will also be responsible for the payment of additional rent to cover certain costs, taxes, and insurance. Based on the estimated monthly additional rent for 2018 as set forth in the new lease, we estimate that the additional rent during the initial term will be approximately $3.8 million. We also expect to pay approximately $0.5 million for leasehold improvements, net of the tenant improvement allowance provided in the new lease of approximately $0.8 million.

(2) Purchase obligations represent open purchase orders for component materials and third-party contract labor costs at the end of the fiscal year. These purchase orders can be impacted by various factors, including the timing of issuing orders, the timing of the shipment of orders, and currency fluctuations.

(3) Represents the Minimum Royalty due under the License Agreement beginning in 2018.

(4) Includes interest payments and the minimum final payment, consisting of a 7.5% premium principal amounts paid off, under the Loan Agreement, assuming maturity at June 30, 2021 and assuming the principal balance remains the same.

The tables above do not include our lease obligations under the new lease. Payments under the new lease were contingent on the termination of the 7575 Irvine Center lease until that lease was amended in July 2018. The 7575 Irvine Center lease did not terminate as of December 31, 2017, and as a result, we had no lease obligations under the new lease as of June 30, 2018. The new lease inception date is deemed to be the date of the lease amendment, or July 11, 2018, and lease commencement is August 13, 2018. For the new lease, as of September 30, 2018, (i) our total operating lease obligations are $5,188, (ii) our payments due in the less than one year are $664, (iii) our payments due in one to three years are $1,421, (iv) our payments due in three to five years are $1,554, and (v) our payments due in more than five years are $1,549, in each case, presented in thousands.

From time to time we enter into certain types of contracts that contingently require us to indemnify parties against third-party claims, including the License Agreement, the Loan Agreement and certain real estate

leases, supply purchase agreements, and agreements with directors and officers. The terms of such obligations vary by contract and in most instances a maximum dollar amount is not explicitly stated therein. Generally, amounts under these contracts cannot be reasonably estimated until a specific claim is asserted, thus no liabilities have been recorded for these obligations on our balance sheets for any of the periods presented.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States, or GAAP, requires our management to make estimates and judgments that affect the amounts reported in our consolidated financial statements and accompanying notes included elsewhere in this prospectus. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable and supportable under the circumstances. The results of this evaluation then form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, and such differences may be material to our consolidated financial statements.

While our significant accounting policies are more fully described in note 1 to our consolidated financial statements included elsewhere in this prospectus, we believe the following discussion addresses our most critical accounting policies, which are those that are most important to the portrayal of our financial condition and results of operations and require our most difficult, subjective and complex judgments.

Revenue Recognition

Since we commenced operations in late 2013, we have recognized minimal revenue. Although we have begun limited commercial activities in the EU, our main priority is the United States where we expect to begin to commercialize and market our r-SNM System and generate revenue from product sales if and when approved by the FDA. In addition, we plan to strategically expand into favorable international markets where reimbursement is established. If we are unable to accomplish any of these objectives, it could have a significant negative impact on our future revenue. If we fail to generate revenue in the future, our business, results of operations, financial condition, cash flows and future prospects would be materially and adversely affected.

Revenue recognized during the year ended December 31, 2017 relates entirely to the sale of our r-SNM System to one customer in Canada. We recognized revenue in 2017 when title and risk of loss pass to customers, which is typically when the customer takes possession of the product, when persuasive evidence of an arrangement exists there are no further obligations yet to be performed, pricing is fixed or determinable, and collection is reasonably assured. Effective January 1, 2018, we adopted the provisions of Accounting Standards Codification 606, Revenue from Contracts with Customers. We recognize revenue in 2018 when promised goods or services are transferred to customers in an amount that reflects the consideration which an entity expects to receive in exchange for those goods or services. Revenue recognized during the six months ended June 30, 2018, relates entirely to the sale of our r-SNM System to a customer in the United Kingdom.

We make reasonable assumptions regarding the future collectability of amounts receivable from customers to determine whether the revenue recognition criteria have been met. Taxes assessed by a governmental authority that are directly imposed on revenue-producing transactions between a seller and a customer are not recorded as revenue. In general, our standard terms and conditions of sale do not allow for product returns. We expense shipping and handling costs as incurred and include them in the cost of goods sold. In those cases where shipping and handling costs are billed to customers, we classify the amounts billed as a component of cost of goods sold.

Inventory

Inventory is stated at the lower of cost or net realizable value, with cost computed on a first-in, first-out basis.

We capitalize inventory produced for commercial sale. Costs associated with developmental products that do not satisfy our inventory capitalization criteria are charged to research and development expense as incurred.

Products that have been approved by certain regulatory authorities are also used in clinical programs to assess the safety and effectiveness of the products for usage that have not been approved by the FDA or other regulatory authorities. The form of product utilized for both commercial and clinical programs is identical and, as a result, the inventory has an "alternative future use" as defined in authoritative guidance. Component materials and purchased products associated with clinical development programs are included in inventory and charged to research and development expense when the product enters the research and development process and no longer can be used for commercial purposes and, therefore, does not have an "alternative future use."

For products that are under development and have not yet been approved by regulatory authorities, purchased component materials are charged to research and development expense when the inventory ownership transfers to us.

We analyze inventory levels to identify inventory that may expire prior to sale, inventory that has a cost basis in excess of its net realizable value, or inventory in excess of expected sales requirements. Although the manufacturing of our product is subject to strict quality control, certain batches or units of product may no longer meet quality specifications or may expire, which would require adjustments to our inventory values. We also apply judgment related to the results of quality tests that are performed throughout the production process, as well as the understanding of regulatory guidelines, to determine if it is probable that inventory will be saleable. These quality tests are performed throughout the pre- and post-production processes, and we continually gather information regarding product quality for periods after the manufacturing date. Our r-SNM System currently has a maximum estimated shelf life range of 12 to 27 months and, based on sales forecasts, we expect to realize the carrying value of the product inventory. In the future, reduced demand, quality issues, or excess supply beyond those anticipated by management may result in a material adjustment to inventory levels, which would be recorded as an increase to cost of goods sold.

The determination of whether or not inventory costs will be realizable requires estimates by our management. A critical input in this determination is future expected inventory requirements based on internal sales forecasts. Management then compares these requirements to the expiry dates of inventory on hand. To the extent that inventory is expected to expire prior to being sold, management will write down the value of inventory.

Our r-SNM System inventory manufactured prior to regulatory approval by European and Canadian regulatory bodies consisted of component materials and work-in-process inventory, which was expensed as research and development costs as incurred and was combined with other research and development expenses. While management tracked the quantities of individual product lots, it did not track pre-regulatory approval manufacturing costs and, therefore, the manufacturing cost of our r-SNM System component materials and work-in-process inventory produced prior to regulatory approval is not reasonably determinable. However, based on management's expectations for future manufacturing costs to produce our r-SNM System inventory, management estimates that approximately $0.5 million of commercial r-SNM System inventory was expensed prior to regulatory approval.

We began capitalizing our r-SNM System manufacturing costs as inventory following both the receipt of regulatory approval from the European and Canadian regulatory bodies and our decision to begin to commercialize, which occurred in fiscal year 2017. As of June 30, 2018, we had $0.6 million and $1.3 million of finished goods inventory and component materials inventory, respectively, on hand. As of June 30, 2018, we had minimal work-in-process inventory on hand.

The aggregate selling price of reduced-cost finished goods inventory on hand may be affected by a number of factors including, but not limited to, market demand, future pricing of the product, competition, and

reimbursement by government and other payers. At this time, our management cannot reasonably estimate the timing and rate of consumption of reduced-cost component materials and work-in-progress inventory, or the timing of sales of finished goods manufactured with this inventory. The time period over which reduced-cost finished goods inventory is consumed will depend on a number of factors, including the amount of future r-SNM System sales, the ultimate use of this inventory in either commercial sales, clinical development or other research activities, and the ability to utilize inventory prior to its expiration date.

Intangible Asset

The intangible asset represents exclusive rights to an additional field-of-use on the patent suite within the License Agreement. The additional field-of-use was provided in exchange for 50,000 shares of our Series A preferred stock, the fair value of which was $1.0 million at the time of the exchange. The intangible asset was recorded at its fair value of $1.0 million at the date contributed. Amortization of this asset is recorded over the shorter of the patent or legal life on a straight-line basis. The weighted-average amortization period is 8.71 years. We will review the intangible asset for impairment whenever an impairment indicator exists. There have been no intangible asset impairment charges to date.

Impairment of Long-Lived Assets

We review our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparing the carrying amount to the future net cash flows that the assets are expected to generate. If said assets are considered to be impaired, the impairment that would be recognized is measured by the amount by which the carrying amount of the assets exceeds the projected discounted future net cash flows arising from the asset. There have been no such impairments of long-lived assets to date.

Research and Development

Research and development costs are charged to operations as incurred. Research and development costs include salary and personnel-related costs, costs of clinical studies and testing, supplies and materials, and outside consultant costs. Costs of clinical studies and testing include fees paid to hospitals and physicians for the enrollment and treatment of patients, related product manufacturing expenses for the products used in the studies, fees paid to contract research organizations, or CROs, other consultants, and other outside expenses.

Our research and development team focuses on our r-SNM System, including our clinical studies, as well as evaluations of improvements and enhancements to our r-SNM System. For the years ended December 31, 2016 and 2017 and six months ended June 30, 2018, we incurred research and development expenses of $12.5 million, $12.3 million and $10.7 million, respectively.

Income Taxes

We account for income taxes using the asset and liability method to compute the difference between the tax basis of assets and liabilities and the related financial amounts, using currently enacted tax rates. We have deferred tax assets. The realization of these deferred tax assets may be dependent upon our ability to generate sufficient taxable income in future years. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount that more likely than not will be realized. We evaluate the recoverability of the deferred tax assets annually.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. We have determined that it has no uncertain tax positions.

Stock-Based Compensation

We maintain an equity incentive plan to provide long-term incentives for employees and certain advisors and consultants. The plan allows for the issuance of nonstatutory and incentive stock options to employees and nonstatutory stock options to consultants and non-employee directors.

We measure the cost of employee services in exchange for an award of equity instruments based on the grant-date fair value of the award and recognize compensation cost over the requisite service period (typically the vesting period), which is generally four years. We account for equity instruments issued to non-employees based on the fair value of the award, which is periodically re-measured as they vest over the performance period. The related expense is recognized over the performance period.

We estimate the fair value of stock options using the Black-Scholes option pricing model. We use the value of our common stock to determine the fair value of restricted shares.

The Black-Scholes option pricing model requires the input of certain subjective assumptions, including (i) the expected share price volatility, (ii) the expected term of the award, (iii) the risk-free interest rate, and (iv) the expected dividend yield. Due to the lack of a public market for the trading of our common stock and a lack of company-specific historical and implied volatility data, we have based the estimate of expected volatility on the historical volatility of a group of similar companies that are publicly traded. Similarities with such companies include being at the stage of product development and focused on the medical technology industry. The historical volatility is calculated based on a period of time commensurate with the expected term assumption. We use the simplified method, which is the average of the final vesting tranche date and the contractual term, to calculate the expected term for options granted to employees as we do not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term. For options granted to non-employees, we utilize the contractual term of the arrangement as the basis for the expected term assumption. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected term of the stock options. We use an assumed dividend yield of zero as we have never paid dividends and have no current plans to pay any dividends on our common stock.

Valuation of Common Stock

Given the absence of a public trading market for our common stock, our board of directors exercised reasonable judgment and considered a number of objective and subjective factors to determine the best estimate of the fair value of our common stock, including: our financial and operating history; recent equity financings and the related valuations; the estimated present value of our future cash flows; industry information such as market size and growth; market capitalization of comparable companies and the estimated value of transactions such companies have engaged in; the rights, preferences and privileges of our preferred stock relative to those of our common stock; equity market conditions affecting comparable public companies; the lack of marketability of our common stock; and macroeconomic conditions. In addition, our board of directors also considered valuations of our common stock prepared by an unrelated third-party valuation firm in accordance with the guidance provided by the American Institute of Certified Public Accountants Practice Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation. Estimates of fair value are sensitive to such factors.

For valuations after the completion of this offering, our board of directors will determine the fair value of each share of common stock based on the closing price of our common stock as reported on the date of grant. Future expense amounts for any particular period could be affected by changes in our assumptions or market conditions.

Leases

We determine if an arrangement is a lease at inception and includes operating leases on our consolidated balance sheets. The operating lease right-of-use, or ROU, asset is included within our other non-current assets, and lease liabilities are included in current or noncurrent liabilities on our consolidated balance sheets.

Operating lease ROU asset and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. The lease terms may include options to extend or terminate the lease when we are reasonably certain that we will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

Internal Controls and Procedures

In connection with the audits of our consolidated financial statements for the years ended December 31, 2017 and 2016, we concluded that there were material weaknesses in our internal control over financial reporting. A material weakness is a significant deficiency, or a combination of significant deficiencies, in internal control over financial reporting such that it is reasonably possible that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses that we identified related to accounting and reporting for complex financial instruments and consolidation matters, which resulted in the restatement of our consolidated financial statements for the years ended December 31, 2016 and 2017 and for the six-months ended June 30, 2018 as further described in Note 10 to our consolidated financial statements included elsewhere in this prospectus. A lack of adequate staffing levels resulted in insufficient time spent on review and approval of certain information used to prepare our consolidated financial statements and the maintenance of effective controls to adequately monitor and review significant transactions for financial statement completeness and accuracy. These control deficiencies, although varying in severity, contributed to the material weaknesses in the control environment. If one or more material weaknesses persist or if we fail to establish and maintain effective internal control over financial reporting, our ability to accurately report our financial results could be adversely affected.

We are taking steps to remediate the material weakness in our internal control over financial reporting, including the implementation of new accounting processes and control procedures and the identification of gaps in our skills base and expertise of the staff required to meet the financial reporting requirements of a public company. We plan to hire additional accounting personnel who are certified public accountants, which will enable us better address the accounting for complex financial instruments or consolidation matters or other complex accounting matters that may occur in the future.

We will be required, pursuant to Section 404(a) of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting for the year following our first annual report required to be filed with the SEC. This assessment will need to include disclosure of any material weaknesses identified by management over our internal control over financial reporting. However, our independent registered public accounting firm will not be required to report on the effectiveness of our internal control over financial reporting pursuant to Section 404(b) until the later of the year following our first annual report required to be filed with the SEC, or the date we are no longer an “emerging growth company” if we take advantage of the exemptions contained in the JOBS Act.

We are in the very early stages of the costly and challenging process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404. We may not be able to complete our evaluation, testing or any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal controls are designed and operating effectively, which could result in a loss of investor confidence in the accuracy and completeness of our financial reports. This could cause the price of our common stock to decline, and we may be subject to investigation or sanctions by the SEC. See “Risk Factors—Risks Related to this Offering and Our Common Stock—We have identified material weaknesses in our internal control over financial reporting which resulted in the restatement of our consolidated financial statements. If we do not remediate the material weaknesses in our internal control over financial

reporting, we may not be able to accurately report our financial results or file our periodic reports in a timely manner, which may cause investors to lose confidence in our reported financial information and may lead to a decline in the market price of our common stock."

Recent Accounting Pronouncements

In May 2014, the FASB issued a comprehensive new revenue recognition standard which will supersede previous existing revenue recognition guidance. The standard is intended to clarify the principles of recognizing revenue and create common revenue recognition guidance between GAAP and International Financial Reporting Standards. The standard also requires expanded disclosures surrounding revenue recognition. During fiscal year 2016, the FASB issued additional clarification guidance on the new revenue recognition standard which also included certain scope improvements and practical expedients. We early adopted this guidance effective January 1, 2018 using the modified retrospective method. The adoption of this guidance did not have a material impact on our consolidated financial statements or related disclosures.

In February 2016, the FASB issued a comprehensive new lease standard which will supersede previous lease guidance. The standard requires a lessee to recognize assets and liabilities related to long-term leases that were classified as operating leases under previous guidance in its balance sheet. An asset would be recognized related to the right to use the underlying asset and a liability would be recognized related to the obligation to make lease payments over the term of the lease. The standard also requires expanded disclosures surrounding leases. We adopted this guidance effective January 1, 2018. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. Adoption of the standard required us to restate certain previously reported results, including the recognition of additional ROU assets and lease liabilities for operating leases. We recorded an ROU asset of approximately $0.2 million, $0.1 million, and $0.1 million on our consolidated balance sheets at December 31, 2016, December 31, 2017, and June 30, 2018, respectively. We also recorded a lease liability of approximately $0.5 million, $0.3 million, and $0.2 million on our consolidated balance sheets at December 31, 2016, December 31, 2017, and June 30, 2018, respectively. The standard did not have an impact on our consolidated income statements.

In March 2016, the FASB issued authoritative guidance to simplify the accounting for certain aspects of share-based compensation. This guidance addresses the accounting for income tax effects at award settlement, the use of an expected forfeiture rate to estimate award cancellations prior to the vesting date and the presentation of excess tax benefits and shares surrendered for tax withholdings on the statement of cash flows. We adopted this guidance effective January 1, 2018. This guidance requires all income tax effects of awards (resulting from an increase or decrease in the fair value of an award from grant date to the vesting date) to be recognized in the income statement when the awards vest or are settled which is a change from previous guidance that required such activity to be recorded in paid-in capital within stockholders' equity. Under this guidance, excess tax benefits are also excluded from the assumed proceeds available to repurchase shares in the computation of diluted earnings (loss) per share. This guidance also eliminates the requirement to estimate forfeitures, but rather provides for an election that would allow entities to account for forfeitures as they occur. We made an entity-wide accounting policy election to continue to estimate the number of awards that are expected to vest. The adoption of this guidance did not have a material impact on our consolidated financial statements or related disclosures.

In October 2016, the FASB issued authoritative guidance which amends the accounting for income taxes on intra-entity transfers of assets other than inventory. This guidance requires that entities recognize the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. The income tax consequences on intra-entity transfers of inventory will continue to be deferred until the inventory has been sold to a third party. This guidance is effective for fiscal years beginning after December 15, 2017, which was our first quarter of fiscal year 2018, and requires a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. Early adoption is permitted at the beginning of a fiscal year. The adoption of this guidance is not expected to have a material impact on our consolidated financial statements or related disclosures.

In May 2017, the FASB issued authoritative guidance that provides clarification on accounting for modifications in share-based payment awards. This guidance is effective for fiscal years beginning after December 15, 2017, which was our first quarter of fiscal year 2018, with early adoption permitted. The adoption of this guidance is not expected to have an impact on our consolidated financial statements or related disclosures unless there are modifications to our share-based payment awards.

In June 2018, the FASB issued authoritative guidance that expands guidance on accounting for share-based payment awards, which includes share-based payment transactions for acquiring goods and services from nonemployees and aligns the accounting for share-based payments for employees and non-employees. This guidance is effective for annual periods beginning after December 15, 2018, with early adoption permitted. The guidance should be applied to new awards granted after the date of adoption. The adoption of this guidance is not expected to have an impact on our consolidated financial statements or related disclosures unless there are modifications to our share-based payment awards.

JOBS Act

As a company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an "emerging growth company," as defined in the JOBS Act. An emerging growth company may take advantage of reduced reporting requirements that are otherwise applicable to public companies. These provisions include:

- being permitted to have only two years of audited financial statements and only two years of related selected financial data and management's discussion and analysis of financial condition and results of operations disclosure;
- an exemption from compliance with the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act;
- reduced disclosure about executive compensation arrangements in our periodic reports, registration statements and proxy statements; and
- exemptions from the requirements to seek non-binding advisory votes on executive compensation or golden parachute arrangements.

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the completion of this offering. However, if certain events occur prior to the end of such five-year period, including if we become a "large accelerated filer," our annual gross revenue exceeds $1.07 billion or we issue more than $1.0 billion of non- convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period.

We have elected to take advantage of certain of the reduced disclosure obligations in this prospectus and may elect to take advantage of other reduced reporting requirements in future filings. As a result, the information that we provide to our stockholders may be different from what you might receive from other public reporting companies in which you hold equity interests.

In addition, under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to avail ourselves of this exemption and, as a result, our financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies. Section 107 of the JOBS Act provides that we can elect to opt out of the extended transition period at any time, which election is irrevocable.

Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate risk, foreign currency exchange rate risk and inflation risk as follows:

Interest Rate Risk

We had cash, cash equivalents and short-term investments of $39.9 million as of June 30, 2018, which came from private placements of our preferred stock and debt financing arrangements. The goals of our investment policy are liquidity and capital preservation and we do not enter into investments for trading or speculative purposes. We believe that we do not have any material exposure to changes in the fair value of these assets as a result of changes in interest rates due to the short term nature of our cash, cash equivalents and short-term investments. Additionally, the interest rate for borrowings under the Loan Agreement is variable. A hypothetical 10% relative change in interest rates during any of the periods presented would not have had a material impact on our consolidated financial statements. We do not currently engage in hedging transactions to manage our exposure to interest rate risk.

Foreign Currency Exchange Rate Risk

As we expand internationally our results of operations and cash flows may become increasingly subject to fluctuations due to changes in foreign currency exchange rates. All of our revenue is denominated in U.S. dollars. Our expenses are generally denominated in the currencies in which our operations are located, which is primarily in the United States. The effect of a 10% adverse change in exchange rates on foreign denominated cash, receivables and payables would not have been material for the periods presented. As our operations in countries outside of the United States grow, our results of operations and cash flows may be subject to fluctuations due to changes in foreign currency exchange rates, which could harm our business in the future. To date, we have not entered into any material foreign currency hedging contracts although we may do so in the future.

Inflation Risk

Inflationary factors, such as increases in our cost of goods sold and selling and operating expenses, may adversely affect our operating results. Although we do not believe that inflation has had a material impact on our financial position or results of operations to date, a high rate of inflation in the future may have an adverse effect on our ability to maintain and increase our gross margin and sales and marketing and operating expenses as a percentage of our revenue if the selling prices of our r-SNM System do not increase as much as or more than these increased costs.

BUSINESS

Overview

We are a medical technology company focused on the design, development, and commercialization of innovative and minimally invasive sacral neuromodulation, or SNM, solutions. SNM therapy is primarily used to treat patients with overactive bladder, or OAB, fecal incontinence, or FI, and urinary retention, or UR. Our proprietary rechargeable SNM system, or our r-SNM System, delivers mild electrical pulses to the targeted sacral nerve in order to restore normal communication to and from the brain to reduce the symptoms of OAB, FI, and UR. We believe our proprietary r-SNM System offers significant advantages, including being the first and only rechargeable SNM system that is designed to be 60% smaller than existing technology and to last approximately 15 years. We currently have marketing approvals in Europe, Canada, and Australia for OAB, FI, and UR, and expect to submit a pre-market approval, or PMA, application to the U.S. Food and Drug Administration, or FDA, for urinary urgency incontinence, or UUI, a predominant OAB subtype, during the first quarter of 2019. We believe our r-SNM System has the potential to disrupt and grow the approximately $605 million global SNM market in 2017, which is currently controlled by a single participant.

We are continuing to develop a growing body of compelling clinical evidence that demonstrates the safety, effectiveness, and sustained benefits of our r-SNM System. We have two clinical studies relating to our r-SNM System, a European study, RELAX-OAB, and a U.S. pivotal study, ARTISAN-SNM. In our clinical work to date, we have implanted 180 patients, with an additional 41 patients being treated in our investigator-initiated case series and commercially. In June 2018, we completed the enrollment and implantation of 129 patients with UUI for our ARTISAN-SNM pivotal study. These patients are being evaluated at 14 centers in the United States and five in Europe. Out of 129 patients, 119 were directly implanted without an external trial period. We have determined the study's primary endpoint to be the percentage of test responders that have a therapeutic response, defined as at least a 50% reduction in the number of urgency leaks per day on a three-day bladder diary at six months post-implant. All patients were evaluated as being "test responders" or "test failures" based on their therapy response at the one-month follow-up. "Test responders" were defined as showing at least a 50% reduction in urgency leaks on a three-day bladder diary at the one-month follow-up. 113 of the 129 patients, or approximately 88%, were determined to be test responders at the one-month follow-up. We have obtained partial three-month data for this study for 110 patients and 95 test responders. The remaining 16 of 129 patients, or approximately 12%, were determined to be test failures at the one-month follow-up. In these partial three-month results, therapy response rate was 96% for test responders and 87% for all patients, and 95% of test responders and 89% of all patients were "very" or "moderately" satisfied with the therapy. We expect that six-month results will be available in the first quarter of 2019. Further, we expect to submit our PMA application to the FDA during the first quarter of 2019. Typically, the PMA review process can take from six to 18 months, with the duration depending on a variety of factors. We plan to continue to collect long-term data out to two years, with the 12-month results anticipated to be available in the third quarter of 2019.

As part of the investigational device exemption, or IDE, approval process for our ARTISAN-SNM pivotal study, the FDA recommended that we should make several modifications to the study design in order for the study to serve as the primary clinical support for a future marketing approval. Although we have not modified the ARTISAN-SNM pivotal study design to address all that the FDA has reiterated, based on the preliminary study results to date, and assuming sufficiently strong results at six months and beyond, we believe we will be able to provide the FDA with reasonable assurance of the safety and effectiveness of our r-SNM System to support its marketing approval.

Our European RELAX-OAB study that began in June 2016 evaluated 51 patients at seven sites in Europe that suffered from OAB subtypes UUI and/or urinary urgency frequency, or UUF. The three-month results were published in the peer-reviewed *Journal of Neurourology and Urodynamics* in February 2018 and 12-month results have been submitted for publication. All patients were directly implanted and evaluated to determine if they were test responders, which was defined as showing at least a 50% reduction in the number of

average leaks or voids per day or a reduction to less than eight voids per day, in each case on a three-day bladder diary, within one month. At three months, results for 48 patients who continued with study follow-up showed a therapeutic response rate of 91% for test responders and 71% for all implanted patients. The therapeutic response rate was sustained at 12 months for the 43 patients who continued with study follow-up, at 94% for test responders and 72% for all implanted patients. During the study, patients experienced clinically meaningful improvements in quality of life, and at 12 months, 84% of test responders and 77% of all patients were “very” or “moderately” satisfied with the therapy provided by our r-SNM System. We are following patients out to two years in this study and may follow patients out to five years at selected study sites.

OAB and FI are dysfunctions, rather than diseases, with a complex group of symptoms that frequently overlap and may be caused by a diverse set of conditions. These dysfunctions affect individuals of both sexes and all ages. OAB causes a sudden urge to urinate that may be difficult to stop, and could lead to the involuntary leakage of urine. In the United States and Europe, based on phone-based surveys, an estimated 87 million adults suffer from OAB. The primary OAB subtypes are UUI and UUF. UUI is the sudden need to urinate accompanied by involuntary leakage of urine, regardless of frequency. UUF is the sudden need to urinate an abnormal number of times, typically more than eight times per day, a measure we believe to be generally accepted among the relevant physician community. FI is the inability to control bowel function that could lead to involuntary leakage from the rectum. In the United States and Europe, an estimated 40 million adults suffer from FI. Symptoms of OAB and FI can have debilitating impacts on social, occupational, and daily activities, which can lead to loss of self-confidence, depression, anxiety, and decreased sexual function and marital satisfaction. Comorbidities, which are generally more prevalent in patients with OAB and FI, may include falls and fractures, urinary tract infections, skin infections, vulvovaginitis, and cardiovascular and central nervous system pathologies. Left untreated, the effects of these dysfunctions impose a significant cost to society and place a high burden on healthcare systems.

We believe that SNM therapy is an effective treatment alternative for the approximately three million OAB patients who suffer from UUI and UUF in the United States and Europe. UUI is the sudden need to urinate accompanied by involuntary leakage of urine, regardless of frequency. UUF is the sudden need to urinate an abnormal number of times, typically more than eight times per day, a measure we believe to be generally accepted among the relevant physician community. We believe that approximately two-thirds of patients in the United States with OAB and FI that are treated with SNM therapy have either UUI alone or in combination with another subtype of OAB, or FI. We believe that approximately 85% of the SNM addressable market for OAB consists of female patients. Anatomical and physiological differences in the lower urinary tract of males and females may help to explain these variations.

We also believe that SNM therapy is an effective treatment alternative for the approximately one million patients who suffer from FI in the United States and Europe. We believe that a significant portion of people with FI also suffer from OAB.

First-line therapies for OAB include behavioral changes such as diet, exercise, timed voiding, pelvic floor exercises, and biofeedback, all of which often have limited effectiveness. Second-line therapies for OAB consist of drug therapy and medical management, and may be effective; however, the use of medication can cause undesirable side effects and the effectiveness may decrease over time with prolonged use. First- and second-line therapies comprise the largest segment of the treatment market for OAB, and medication and other non-implantable treatments are better known to physicians and hospitals than SNM therapy. Patients who fail, or are contraindicated or refractory for, both first- and second-line therapies may be eligible for SNM as a third-line therapy. SNM therapy has been commercially available in the United States for over 20 years and has been clinically proven to provide a safe, effective, reversible, and long-lasting solution. According to a study published in Neurourology and Urodynamics, by Siegel et al. in 2014, SNM therapy is the only third-line therapy for OAB that has objectively demonstrated superior efficacy to standard OAB medical therapy. Relative to the other third-line therapies such as onabotulinumtoxinA, or BOTOX, injections and percutaneous tibial nerve stimulation, or PTNS, we believe SNM therapy has therapeutic advantages that include better efficacy and patient compliance.

We believe that our innovative and proprietary r-SNM System offers similar therapeutic benefits and competitive advantages to the only currently available SNM technology, InterStim II System, or InterStim II, offered by Medtronic plc, or Medtronic. We believe that our r-SNM System is the first and only system for SNM therapy with a rechargeable implantable pulse generator, or IPG, battery that is designed to last approximately 15 years. As a result, patients implanted with our r-SNM System do not need to undergo replacement surgery on average every 4.4 years, as is the case for patients implanted with InterStim II, which we believe will significantly improve patient experience and reduce the risks of surgery and associated infections. In addition, we believe patients who have historically resisted SNM therapy because of the required multiple surgeries may be more inclined to be treated by our r-SNM System. Further, by reducing the number of replacement surgeries, physicians and facilities can utilize their resources more efficiently. Finally, our technology has the potential to significantly reduce overall costs to the healthcare system. In 2016, we commissioned a study that concluded that a rechargeable SNM system with a 15-year battery life could potentially reduce overall U.S. healthcare costs by up to $12 billion over a 15-year horizon.

We have designed and developed a proprietary method protected by patents, know-how, and trade secrets that enables us to combine ceramic and titanium for the IPG enclosure of our r-SNM System. This method enables us to incorporate a significantly smaller recharging coil into our IPG, which offers benefits such as 60% smaller size and half the weight of InterStim II and enhanced communication range. In addition, we also engineered our IPG to deliver constant current stimulation, which adapts to the body's physiological changes, which we expect will provide a more consistent and reliable therapy over time and reduce patient and physician management of the therapy. Further, our r-SNM System offers significant wireless charging benefits and an easy-to-use patient remote control. Finally, we designed and custom built a touchscreen clinician programmer that guides the implanting physician through electrode placement and stimulation programming. We also intend to continue to invest in research and development activities focused on improvements and enhancements to our r-SNM System. Our goals include introducing market differentiating 1.5T/3.0T magnetic resonance imaging, or MRI, full body conditional labelling for our r-SNM System, reducing by half the number of IPG battery recharging sessions required for the IPG to remain charged for one full month, introducing compatibility features that would enable us to compete with the replacement of the IPG of InterStim II, and expanding the suite of product solutions available for SNM therapy over time.

Our r-SNM System consists of several components and accessories that provide a smoothly integrated, long-lasting, intuitive, and easy-to-use system. The miniaturized IPG is a five cubic centimeter, rechargeable implantable stimulator designed to provide stimulation through a tined four-electrode lead. SNM therapy generally consists of two phases, an evaluation period, also called the external trial period, which typically lasts a few days to a few weeks, and a permanent implant for those patients who experience a successful external trial period. The permanent implant procedure typically occurs in a hospital or an outpatient setting and includes implantation of the IPG and, if a temporary lead was used for the external trial period, implantation of the permanent lead. The IPG is inserted through a small incision into a pocket in the subcutaneous fat of the upper buttocks, and the lead body is tunneled to the IPG pocket and connected to the IPG. The IPG is programmed by, and wirelessly communicates with, the clinician programmer, at a range of up to approximately three-feet. The patient has the ability to adjust stimulation intensity up or down or switch on or off, using a discrete, small and easy-to-use wireless remote control that communicates with the device at a range of up to approximately three-feet. The IPG is wirelessly charged with an interval of approximately one hour once every two weeks under normal use conditions.

The market for SNM therapy is large and growing. We estimate that the current global SNM market was approximately $605 million in 2017, which represents approximately 41,000 patient implants, including 11,000 patients undergoing replacement implants. We believe that nearly 90% of sales in this market are generated in the United States. We believe our market consists of approximately four million adults in the United States and Europe who suffer from symptoms of either OAB or FI and who are readily treatable with, and eligible candidates for, SNM therapy, with approximately half of that market represented by the United States. Further, we estimate that the global annual addressable SNM market is presently approximately one percent penetrated.

We believe this represents a compelling opportunity for our r-SNM System to capture market share and further penetrate and grow the current U.S. market.

We intend to focus the significant majority of our sales and marketing efforts in the United States where reimbursement for SNM therapy is well established and covered by most major U.S. insurers. We plan to build a specialized and dedicated direct sales organization, which will initially target the estimated 850 physician specialists that represent a majority of the implant volume in the United States. We estimate that approximately 75% of U.S. implant volume is generated by less than 1,000 physicians. In addition, we plan to strategically expand into international markets where reimbursement for SNM therapy is established. We will initially endeavor to hire a specialty sales force of approximately 60 sales representatives in anticipation of our potentially receiving FDA approval to support the commercial launch of our r-SNM System in the United States. Further, we expect to grow our sales force over time and the number of our sales representatives at commercial launch will vary and may be higher depending on the duration of the PMA review process.

On October 1, 2013, we entered into a license agreement, or the License Agreement, with the Alfred E. Mann Foundation for Scientific Research, or AMF, pursuant to which AMF agreed to license to us certain patents and know-how, which we refer to collectively as the AMF IP, relating to, in relevant part, an implantable pulse generator and related system components in development by AMF as of that date, in addition to any peripheral or auxiliary devices, including all components, that when assembled, comprise such device, excluding certain implantable pulse generators, altogether which we refer to as, the AMF Licensed Products.

Our Success Factors

We believe that continued growth of our company will be driven by the following success factors:

- ***Large and growing SNM market with established coverage and reimbursement***. SNM treatment for OAB, FI, and UR is a well-established therapy. Since the first FDA-approved SNM device, InterStim I System, was introduced in 1997, over 300,000 patients have been implanted worldwide with such system and its successor InterStim II. In 2017, we believe that approximately 41,000 patients were implanted with SNM therapy, including 11,000 patients undergoing replacement implants, corresponding to an approximately $605 million global annual addressable SNM market and approximately 8% year-over-year growth. With the global SNM market currently estimated to be approximately one percent penetrated, we believe that the introduction of a new and highly differentiated SNM solution has the potential to grow the market in excess of historical rates. In addition, because SNM therapy has been widely used in patients for over 20 years in the United States, which we believe makes up nearly 90% of the sales in the global SNM market, reimbursement codes and payments are well-established and the procedure is covered by most major U.S. insurers.

- ***Long-term solution offering material benefits to patients, physicians, and payors***. We believe that our r-SNM System is the first and only system for SNM therapy with a rechargeable IPG battery that is designed to last approximately 15 years. As a result, patients implanted with our r-SNM System do not need to undergo replacement surgery on average every 4.4 years, as is the case for patients implanted with InterStim II, which is not a rechargeable system. We believe a rechargeable system will significantly improve a patient's experience and reduce the risks of surgery and associated infections. In addition, by reducing the number of replacement surgeries, physicians and facilities can utilize their resources more efficiently. Finally, we believe that our technology has the potential to significantly reduce overall costs to the healthcare system. In 2016, we commissioned a study, which concluded that a rechargeable SNM system with a 15-year battery life could potentially reduce overall U.S. healthcare costs by up to $12 billion over a 15-year horizon.

- ***Significant competitive and functional advantages over the only approved SNM device***. We believe that our r-SNM System's innovative and proprietary design offers significant competitive

and functional advantages over InterStim II. Our proprietary method of combining ceramic and titanium for the IPG enclosure enables us to incorporate a significantly smaller recharging coil into our IPG, which offers benefits such as 60% smaller size and half the weight of InterStim II and enhanced communication range. In addition, our r-SNM System employs constant current, which adapts to the body's physiological changes, which we expect will provide a more consistent and reliable therapy over time and reduce patient and physician management of the therapy. Further, our r-SNM System is differentiated by significant wireless charging benefits and an easy-to-use patient remote control. Finally, we designed and custom built a touchscreen clinician programmer that guides the implanting physician through electrode placement and stimulation programming. Our clinician programmer allows physicians to connect to a patient's IPG, while the patient is in the physician's care, to access key therapy data that is stored and maintained on the IPG. As an example of the benefits of our r-SNM System, a recent survey of healthcare professionals in the United States and Europe indicated that 100% of those who responded to this question would "definitely" or "most likely" offer our r-SNM System to their patients, citing the small IPG size, long battery life, rechargeability, ease of use, and current-control as the primary reasons.

- ***Strong clinical data***. We are continuing to develop a growing body of compelling clinical evidence that demonstrates the safety and effectiveness of our r-SNM System. In our clinical work to date, we have implanted 180 patients in the United States and Europe. Our ARTISAN-SNM pivotal study is evaluating 129 patients with UUI. In these partial three-month results, therapy response rate was 96% for test responders and 87% for all patients. We expect that six- and 12-month results will be available in the first quarter of 2019 and the third quarter of 2019, respectively. Our European study, RELAX-OAB, evaluated 51 patients that suffered from UUF and UUI. At three months, results for 48 patients who continued with study follow-up showed a therapeutic response rate of 91% for test responders and 71% for all implanted patients. The therapeutic response rate was sustained at 12 months for the 43 patients who continued with study follow-up, at 94% for test responders and 72% for all implanted patients. We intend to follow patients for at least out to two years for both of our clinical studies. We believe clinical data is important and will be key to driving broad-based adoption of our r-SNM System.

- ***A deep understanding of our target market with a sole focus on SNM***. We formed our company by assembling an experienced team with significant in-depth knowledge of our target market. From the outset, we spent significant time understanding the unmet needs of patients and physicians through patient field studies and early engagement of physicians and key opinion leaders. By utilizing this market knowledge and focusing solely on SNM, we have been able to navigate the development and regulatory requirements for our r-SNM System in an efficient manner. Since we commenced operations in late 2013, we have received marketing approval in Europe, Canada, and Australia for OAB, FI, and UR, and completed the enrollment and implantation of patients in our ARTISAN-SNM pivotal study. This pure-play SNM focus also allows us to efficiently manage our research and development activities to further innovate and enhance our r-SNM System.

- ***Comprehensive and broad intellectual property portfolio***. Our r-SNM System is supported by a nucleus of issued patents and patent applications that we license from AMF pursuant to the License Agreement. In addition to that nucleus, we have created a substantial portfolio of wholly owned intellectual property, which includes patents, know-how and trade secrets that are embodied by our r-SNM System. As of September 30, 2018, we owned 17 issued U.S. patents and 20 issued foreign patents, and 17 pending U.S. patent applications and 59 pending foreign patent applications, and we licensed from AMF 30 issued U.S. patents and 38 issued foreign patents, and four pending U.S. patent applications and 28 pending foreign patent applications.

- ***Experienced management team***. Our senior management team has over 140 years of combined experience in the medical technology industry. They have a track record of successfully bringing

products to market, with significant expertise in development, regulatory approval and commercialization activities.

Our Strategy

Our goal is to become a global leader in providing an effective and long-term solution to patients with OAB and FI. To achieve this goal, we are pursuing the following strategies:

- ***Obtain FDA approval of our r-SNM System***. In December 2017, we began enrollment of our ARTISAN-SNM pivotal study. As of June 30, 2018, we had implanted 129 patients and completed the enrollment phase of our study. We anticipate filing our PMA application using six-month results for UUI with the FDA during the first quarter of 2019. Typically, the PMA review process can take from six to 18 months, with the duration depending on a variety of factors.

- ***Continue to promote awareness of our r-SNM System among healthcare providers***. We believe that of the approximately 47,000 specialist physicians addressing OAB and FI in the United States, only approximately 2,000 are trained to perform, or are actively performing, SNM procedures. In the near-term, we plan to focus on building and maintaining support from key opinion leaders while increasing awareness of our r-SNM System among the estimated 850 physician specialists who represent a majority of the implant volume in the United States. We intend to help physicians in their direct-to-patient outreach if and when our r-SNM System is approved by the FDA, and may in the future engage in our own direct-to-patient marketing initiatives. We believe this will expand the number of patients undergoing SNM procedures.

- ***Build a commercialization infrastructure with a specialized direct sales and marketing team***. We plan to establish a commercial infrastructure in anticipation of potential FDA approval of our r-SNM System. We intend to focus the significant majority of our sales and marketing efforts in the United States since we believe that nearly 90% of the annual global SNM sales are generated in this market. Our priority is to target high-volume implant centers. Our goal is to hire a specialty sales force of approximately 60 sales representatives, which we will initially endeavor to hire in anticipation of our potentially receiving FDA approval to support the commercial launch of our r-SNM System in the United States and we expect to grow our sales force over time and the number of our sales representatives at commercial launch will vary and may be higher depending on the duration of the PMA review process. While our commercial focus is in the United States, we also plan to strategically expand into international markets where reimbursement is established.

- ***Continuously innovate to introduce enhanced SNM product offerings and pursue expanded indications***. We intend to continue to invest in research and development activities focused on improvements and enhancements to our r-SNM System. Our goals include introducing market differentiating 1.5T/3.0T magnetic resonance imaging, or MRI, full body conditional labelling for our r-SNM System, reducing by half the number of IPG battery recharging sessions required for the IPG to remain charged for one full month, introducing compatibility features that would enable us to compete with the replacement of the IPG of InterStim II, and expanding the suite of product solutions available for SNM therapy over time. Additionally, we intend to pursue regulatory approval for other indications in the United States in the future.

- ***Further penetrate the addressable market by promoting patient and practice awareness***. Currently, we estimate that approximately one percent of the four million OAB and FI patients that make up the annual global addressable SNM market are implanted with an SNM device. We believe that there are several factors that influence this light penetration of the market. First, although patients may be familiar with SNM as an alternative therapy, patients who elect not to have the procedure do so because of the limitations of the existing technology, such as the potential

for multiple IPG replacement surgeries and the large device size. Second, we believe there is a large potential patient population that suffers from OAB and/or FI and is unaware of third-line therapies such as SNM. We believe that a very low percentage of physician specialists that treat patients with symptoms of OAB and/or FI are actively performing SNM procedures. We intend to educate physicians that are unfamiliar with or do not utilize SNM therapy on the benefits on SNM therapy and the advantages of our r-SNM System. We also intend to increase physician awareness through engagement and continued publication of scientific data in peer reviewed journals. Further, we intend to engage individuals who suffer from OAB and FI symptoms through direct patient outreach.

Our Market

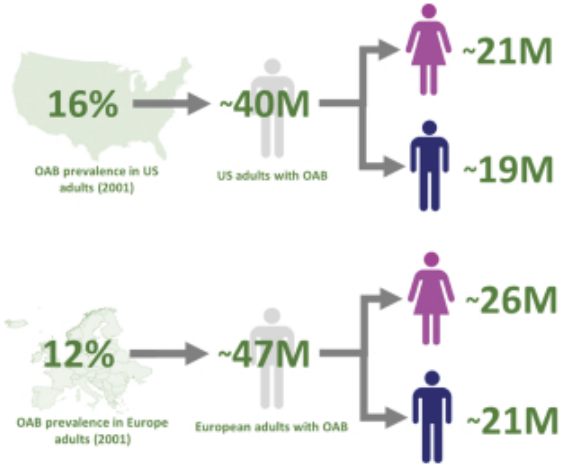
We believe our addressable market consists of approximately four million adults in the United States and Europe who suffer from symptoms of either OAB or FI and who are readily treatable with, and eligible candidates for, SNM therapy. Specifically, we believe this four million adult market consists of approximately three million adults with symptoms of OAB and approximately one million adults with FI within these regions. While we anticipate expanding into other geographic regions over time, such as Canada and Australia, we will initially focus on the United States and Europe due to larger overall market size and greater prevalence of OAB and FI.

The market for SNM therapy is large and growing. We believe that the global SNM market was approximately $605 million in 2017, which we believe is comprised of sales of SNM systems for the treatment of UUI, UUF, FI, and UR, and is growing at an approximate rate of 8% year-over-year. We believe this represents approximately 41,000 patient implants, including 11,000 patients undergoing replacement implants, with nearly 90% of sales in this market being generated in the United States and approximately 85% of sales revenue coming from new implant volume. Further, we estimate that the global annual addressable SNM market is presently approximately one percent penetrated. We estimate the global annual SNM market will continue to increase for the foreseeable future driven by increased awareness and education of SNM as a therapy alternative, greater expectations for quality of life, and improved patient attitudes toward receiving medical attention. In addition, market growth could accelerate due to more than one medical device company being focused on this market, new innovation for SNM therapy, and other potential products being introduced to physicians and patients. We believe that this represents a compelling opportunity for our r-SNM System to capture market share and further penetrate and grow the existing U.S. market. We have regulatory approvals in Europe, Canada, and Australia for OAB, FI, and UR. We initially intend to pursue regulatory approval in the United States for UUI, a predominant OAB subtype, and we intend to seek regulatory approval for other indications in the United States in the future.

Overview of Overactive Bladder

OAB causes a sudden urge to urinate that may be difficult to stop, and could lead to the involuntary leakage of urine. SNM therapy is a well-established third-line therapy for the treatment of certain patients' symptoms of OAB, including subtypes UUF and UUI, and UR. Based on phone-based surveys of 5,204 people conducted from November 2000 to January 2001, a study published in 2003 by Stewart WF et al. concluded that of the approximately 244 million adult population in the United States at that time, approximately 40 million, or roughly 16.5%, exhibited symptoms of OAB. Additionally, based on telephone interviews of 19,165 people conducted from April 2005 to December 2005, a study published in 2005 by Milsom et al. concluded that of the estimated 391 million adult population in Europe at that time, approximately 47 million, or roughly 11.8%, exhibited symptoms of OAB.

In the United States and Europe, symptom-specific prevalence varies significantly by gender and age. The graphic below demonstrates OAB prevalence by gender in the United States and Europe.



Although the study and surveys date back approximately twenty years, we believe these surveys are still representative of the prevalence of OAB in the United States and Europe. Obesity and diabetes are frequent risk factors associated with OAB and we believe that the increase in this high-risk population is one of the factors that have driven continued growth in the prevalence of OAB. According to the Center for Disease Control, or CDC, 11 states in 2000 had prevalence of obesity that exceeded 22% and this increased to 36 states that exceeded 26% by 2015. The CDC saw similar conclusions with the increase in diabetes prevalence, where in 2000, approximately half of the states had a prevalence of less than six percent, and by 2015, 27 states had exceeded nine percent.

While historically many people with symptoms of OAB have gone undiagnosed, we believe this is beginning to change. We believe that improved access to care, decreased social acceptance of compromised quality of life, and longer life expectancy may all contribute to individuals being more proactive about acknowledging symptoms of OAB and seeking medical attention. Previously, patients have avoided discussing their symptoms with medical professionals because of misperceptions such as OAB symptoms being a normal and accepted consequence of aging, and lack of availability of treatments, misguided fear of the currently available treatments, and general availability of self-management tools, such as pads. In addition, we believe programs such as the Patient Quality Reporting System, or PQRS, which was introduced by the Center for Medicaid and Medicare Services, or CMS, in 2013, have helped to improve the frequency of dialogue around OAB between physicians and their Medicare patients as it includes incentives and penalties for primary care physicians based on various quality of care metrics, one of which addresses treating UUI symptoms.

The urgency to urinate associated with OAB may be accompanied by a combination of several symptoms, including abnormally frequent urination, or frequency, that is typically defined as urinating eight or more times per day, involuntary leakage of urine, or incontinence, and the disruption of sleep to wake up and pass urine, or nocturia. The combination and severity of OAB symptoms varies from person to person. UUF is characterized by the sudden need to urinate eight or more times per day and, when this symptom is not accompanied by any other symptoms, does not include the involuntary leakage of urine. UUI is characterized by the sudden need to urinate accompanied by the involuntary loss of urine, regardless of frequency. Non-obstructive UR is the inability to empty the bladder without an obstruction, such as prostate enlargement or a stricture.

The prevalence of OAB between women and men is generally similar, however, it varies by subtype. Women are more likely to suffer from UUI than UUF, although the difference is not substantial. In contrast, men

are much more likely to suffer from UUF than UUI. Incidence by age also varies between men and women, as women often develop UUI at much younger ages than men. UUI symptoms in women ranging in age from 40 to 65 years old are often associated with childbirth or menopause, while prostate enlargement, which is frequently associated with aging, is a leading cause of UUF symptoms in men. These age and gender differences are significant because they may impact who seeks treatment for symptoms of OAB. Individuals with UUI are more likely to seek treatment due to the impact of incontinence on quality of life, and younger individuals are less likely to dismiss symptoms of OAB as an expected and acceptable consequence of aging. As a result, women are more likely to seek treatment for symptoms of OAB than men.

Symptoms consistent with a diagnosis of OAB can develop due to a variety of underlying causes. When a patient consults a physician for the treatment of their symptoms related to OAB, the physician will first undertake a differential diagnosis in an attempt to determine the underlying cause of OAB. Underlying issues that can cause OAB include neurological diseases and injuries, obstructions, bladder abnormalities, and other issues.

If the physician is able to identify an underlying cause of OAB, the physician will then prescribe a care pathway to treat the underlying cause and alleviate the symptoms. When the physician is unable to identify an underlying cause of OAB symptoms, the patient is considered to have idiopathic OAB. We believe that these idiopathic patients are some of the best candidates for SNM therapy and where SNM therapy has been clinically proven to alleviate the symptoms associated with OAB.

In women, the largest group of OAB sufferers are idiopathic, accounting for nearly 50% of the female OAB population. The second largest category is women with mixed urinary incontinence, or MUI, which means a patient has both stress urinary incontinence and UUI, accounting for approximately 40% of the female OAB population. While all women with idiopathic OAB can be treated with SNM therapy, based on clinical data, we estimate that approximately 40% of individuals with MUI will be candidates for SNM therapy based on the etiology of their symptoms. Accordingly, we believe that approximately 66% of women who suffer from OAB are treatable with SNM therapy.

In men, the primary causes of OAB symptoms are obstructive, in particular due to the benign enlargement of the prostate. Obstruction-related OAB accounts for over 60% of the male OAB population. Because obstruction-related OAB patients can be treated to address the underlying cause of the obstruction, these men are unlikely to be prescribed OAB medications and are generally not treatable with SNM therapy. Men who are actually diagnosed with idiopathic OAB only account for five percent of the overall population of male OAB sufferers. However, we believe that because of the prevalence of obstructive OAB in men, many men who actually suffer from idiopathic OAB (either alone or in conjunction with obstructive OAB) go undiagnosed or misdiagnosed as having solely obstructive OAB. As a result, we believe that the population of men actually diagnosed with idiopathic OAB is comprised of a disproportionate number of men who have been prescribed and failed drugs for the treatment of idiopathic OAB, because there is another segment of men who suffer from idiopathic OAB that is not accounted for in this population. Accordingly, we estimate that approximately 10% of men who suffer from OAB are treatable with SNM therapy.

OAB is associated with a significant economic burden to the society. Direct medical and non-medical costs associated with OAB include the cost of diagnostics, pharmacological care, routine care, and OAB-related consequences such as urinary tract infections, skin infections, and depression. Further, indirect costs of OAB include caregiver wages and worker productivity losses resulting either from disability or absenteeism, as well as intangible costs including the quality-of-life impact and psychological burden. According to a study published in the American Journal of Managed Care in 2009, these OAB costs result in a total economic burden in the United States that is estimated to be between $24.9 billion and $36.5 billion.

Overview of Fecal Incontinence

FI is the inability to control bowel function, causing involuntary leakage from the rectum. Stimulation of the sacral nerves can reduce incontinence episodes, urgency, and frequency in people suffering from FI, and is an approved therapy for the treatment of FI in the United States and Europe. Moreover, a significant population of people suffering from FI also exhibit symptoms of OAB. SNM therapy can alleviate symptoms in patients suffering from either or both OAB and FI. We believe approximately 60% of people with FI exhibit idiopathic symptoms or experience FI as result of obstetric or surgical injury or other prior trauma, all of which can be treated with SNM therapy.

People with FI experience even greater degrees of embarrassment and decreased quality of life than people with OAB. The total FI population is estimated to be 40 million adults in the United States and Europe. We believe shifting expectations and attitudes toward medical attention suggest this addressable market has the potential to expand.

According to the American National Health and Nutrition Examination Survey program of 2005 through 2006, approximately 8.3% of the adult population in the United States exhibited symptoms of FI. Based on the estimate of the United States population in 2014 of approximately 221 million adults, approximately 18 million adults in the United States exhibited symptoms of FI. In this survey, FI prevalence was assessed as the occurrence of at least one incontinence episode during the past month. Weekly episodes were estimated to occur in 2.7% of the population, and daily episodes in 0.9%. In addition, according to The National Institute for Health and Care Excellence in the United Kingdom, of the approximately 391 million adult population in Europe in 2007, between 1.0% and 10.0% exhibited symptoms of FI. Based on this data, we have assumed that 5.0% of the adult population in Europe at that time, or approximately 20 million people, exhibited symptoms of FI.

Symptoms consistent with a diagnosis of FI can develop due to a variety of underlying causes. When a patient consults a physician for the treatment of their symptoms related to FI, the physician will first undertake a differential diagnosis in an attempt to determine the underlying cause of FI. Underlying issues that can cause FI include obstetric injury, inflammatory diseases, prior surgeries, and other issues.

If the physician is able to determine that FI is caused by a clear, underlying disease, such as inflammatory bowel disease, the physician will then prescribe a care pathway to treat the underlying disease and alleviate the symptoms. Patients with FI caused by past trauma, mainly from obstetric damage, represent the majority of candidates for treatment of FI with SNM therapy. Additionally, in the absence of an identified underlying cause of FI symptoms, the patient is considered to have idiopathic FI. These idiopathic patients, who make up 10% of women suffering from FI and 7% of men suffering from FI, are also ideal candidates for SNM therapy.

Path to Treatment

Overactive Bladder

SNM therapy cannot be used to address every person who suffers from symptoms of OAB. To estimate the OAB population addressable with SNM therapy, we do not account for people suffering from symptoms of OAB who do not seek medical attention. In the United States, of the approximately 40 million adult patients with symptoms of OAB, we believe that approximately 15.9 million seek medical attention, with UUI patients more frequently consulting with a physician. Similarly, in Europe, of the approximately 47 million adult patients with symptoms of OAB, we believe that approximately 18.7 million seek medical attention. As a result, we believe that the OAB population in the United States and Europe who seek medical attention for OAB, which we refer to as the managed population in the graphic below, is approximately 34.6 million.

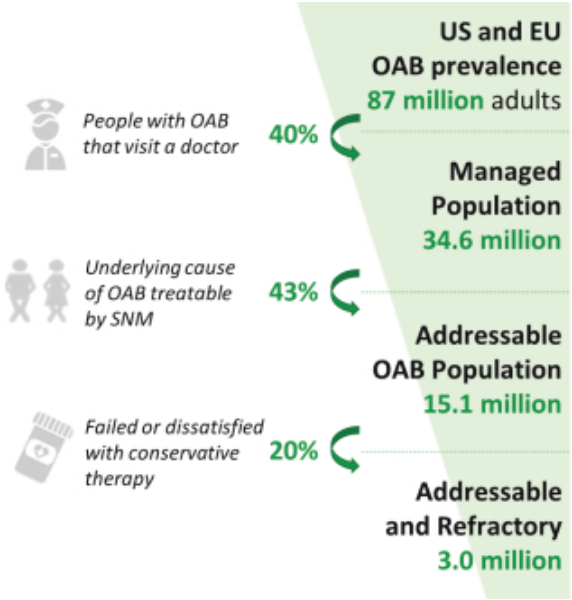
Of the approximately 15.9 million patients who seek medical attention in the United States for the treatment of symptoms of OAB, we believe that approximately 6.8 million are addressable with SNM therapy.

Similarly, in Europe, of the approximately 18.7 million patients who seek medical attention for the treatment of symptoms of OAB, we believe that approximately 8.3 million are addressable with SNM therapy. These amounts are based on our estimates that approximately 66% of women who suffer from OAB have either idiopathic OAB or MUI treatable with SNM therapy, and 10% of men who suffer from OAB have idiopathic OAB. As a result, we believe that the addressable OAB population for SNM therapy is 15.1 million patients in the United States and Europe.

Before treating patients with a third-line therapy such as SNM, physicians are required to prescribe first- and second-line therapies. As discussed further below, first-line therapies include behavioral changes such as diet and exercise, and second-line therapies include drug therapy. In the United States, in order to secure reimbursement, physicians are required to prescribe, and the patient must fail, or be contraindicated and/or refractory for, up to two second-line drug therapies before beginning SNM therapy, although the course of treatment and its duration may vary patient-by-patient based on physician judgment.

Of the approximately 6.8 million patients who exhibit symptoms of OAB that are addressable with SNM therapy in the United States, we estimate that approximately 1.4 million are eligible candidates for SNM therapy. Similarly, of the approximately 8.3 million patients who exhibit symptoms of OAB that are addressable with SNM therapy in Europe, we estimate that approximately 1.6 million are eligible candidates for SNM therapy. These estimates are based on seven percent of these approximately 6.8 million patients who exhibit symptoms of OAB that are addressable with SNM therapy who are currently receiving second-line drug therapies but are not satisfied with the results and are seeking alternative treatment options, and 13% of these approximately 6.8 million patients who exhibit symptoms of OAB that are addressable with SNM therapy who have failed second-line drug therapies and are seeking alternative treatment options. As a result, we believe that the addressable population that is readily treatable with and eligible candidates for SNM therapy, which we refer to as addressable and refractory in the graphic below, is approximately three million patients in the United States and Europe.

The graphic below provides a summary of the calculation of the SNM addressable and refractory population from the overall population of OAB sufferers in the United States and Europe.



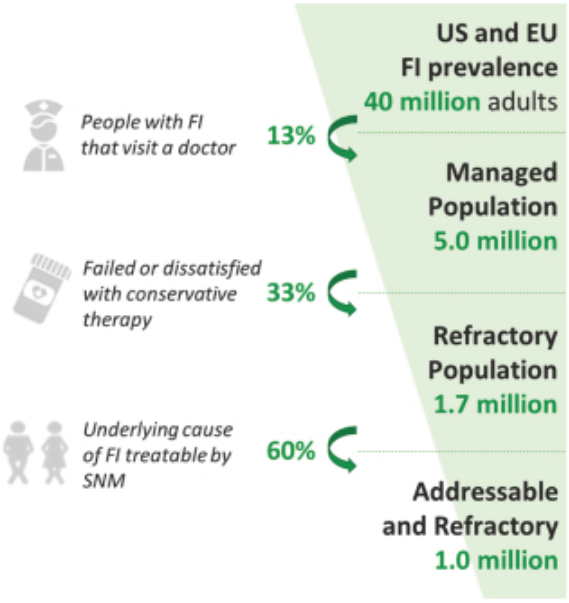
Fecal Incontinence

SNM therapy cannot be used to address every person who suffers from symptoms of FI. To estimate the FI population addressable with SNM therapy, we do not account for people suffering from symptoms of FI who do not seek medical attention. In the United States and Europe, based on published results from surveys of patients with FI, of the approximately 40 million adults with symptoms of FI, we believe that approximately five million people seek medical attention, which we refer to as the managed population in the graphic below.

Of the approximately five million people who seek medical attention in the United States and Europe for the treatment of symptoms of FI, we believe that approximately 1.7 million have failed or are dissatisfied with conservative treatment, which we refer to as the refractory population in the graphic below.

Of the approximately 1.7 million refractory population, we believe that approximately one million patients do not suffer from FI as a result of a condition that requires a different treatment path, such as neurological diseases, inflammatory disease and severe anatomical defects, and as such are readily treatable with and eligible candidates for, SNM therapy, which we refer to as addressable and refractory in the graphic below.

The graphic below provides a summary of the calculation of the SNM addressable and refractory population from the overall population of FI sufferers in the United States and Europe.



Current Treatments and Limitations

Patients with OAB follow a care pathway that transitions them, as necessary, through the progressive series of OAB treatment options. The care pathway directs physicians as to the progression of OAB treatments as follows:

- *First-line therapy*: behavioral changes, including conservative treatment options such as diet, exercise, timed voiding, pelvic floor exercises, and biofeedback;

- *Second-line therapy*: drug therapy, including two classes of OAB drugs, anti-muscarinics and beta-3 adrenergic agonists, with patients often trying multiple drugs; and

- *Third-line therapy*: minimally invasive therapy consisting of SNM, BOTOX injections and PTNS.

First- and second-line therapies comprise the largest segment of the treatment market, and medication and other non-implantable treatments are better known to physicians and hospitals than SNM therapy. According to most U.S. insurance reimbursement programs, patients must try and fail at least two different medications before considering and being eligible for third-line therapies.

First-Line Therapies

First-line therapies represent conservative treatment options. Physicians may recommend that a patient make behavior modifications, such as drinking less fluid, training the bladder and/or pelvic muscles through Kegel exercises, among others. Such treatment options are limited in both duration and effectiveness.

Second-Line Therapies

Second-line therapies consist of medications, which comprise the largest segment of the OAB treatment market, estimated at $3.6 billion in 2017. Anticholinergics such as Oxybutynin, Vesicare, Detrol, Oxytrol, Enablex, and Sanctura are the most commonly prescribed medications. However, patients often do not fully comply with their drug prescriptions, due to perceived inefficacy and side effects. Mirabegron is the only available beta-3 adrenergic agonist that targets the bladder muscles and reduces bladder contractions and was approved in 2012 to treat OAB. Physicians may also prescribe Tricyclic antidepressants such as Duloxetine and Imipramine, which are not FDA approved to treat the symptoms of OAB, but have been shown to relax the muscles in the bladder and reduce urgency.

Anti-muscarinic drugs inhibit the activation of muscarinic receptors on the bladder muscle by acetylcholine. Dry mouth is the most bothersome adverse event associated with antimuscarinic drugs and often a reason for treatment discontinuation. Side effects also include blurred vision, photophobia, tachycardia, difficulty in urination, hyperthermia, glaucoma, and mental confusion in the elderly.

Beta3-adrenergic agonists are a relatively new drug for OAB that work by relaxing the bladder muscle in the wall of the bladder by stimulating the beta-3 receptors that are found on the surface of the muscle cells. This relaxation of the bladder muscle helps to increase the capacity of the bladder to hold urine. In turn, this reduces the need to pass urine. The most common adverse events observed with Mirabegron in clinical trials were hypertension, nasopharyngitis, and urinary tract infection.

Third-Line Therapies

Sacral Neuromodulation

Historically, SNM therapy has been the most common form of third-line therapy treatment for OAB. InterStim II, the only currently available SNM system, was approved to treat the symptoms of OAB by the FDA in 2005, and to treat the symptoms of FI by the FDA in 2011, and its predecessor, InterStim, was approved to treat the symptoms of OAB by the FDA in 1997 and 1999 for UUI and UUF, respectively. These systems have been implanted in over 300,000 patients worldwide, with a majority of all implants having taken place in the United States. In 2017, approximately 41,000 patients were implanted with these systems, including 11,000 patients undergoing replacement implants.

BOTOX Injections

BOTOX injections into the bladder muscle were approved for treatment of symptoms of OAB by the FDA in 2013. BOTOX is injected through a cystoscopic procedure in a clinician’s office or the outpatient

surgery setting, and BOTOX treats OAB by blocking the signal from the bladder nerves to the bladder muscle. Key adverse events include recurrent urinary tract infections and self-catheterization due to inability to void. BOTOX injections are typically required every six to 12 months to maintain reduction of OAB symptoms. We believe the frequent need for injections and the adverse event profile are deterrents to initial and long-term preference for BOTOX injections, as evidenced by an approximately 60% rate of cessation of BOTOX injections at three years, according to a retrospective study by Mohee et al. 2012.

Percutaneous Tibial Nerve Stimulation

PTNS involves in-office placement of an acupuncture needle in a patient's ankle to deliver electrical stimulation to the tibial nerve. Typically, patients undergo a 12-week trial period of weekly 60-minute PTNS sessions to evaluate whether the therapy provides significant symptom reduction. After this period, patients that continue with the therapy typically require monthly treatments to maintain symptom reduction. Adverse events of PTNS are minimal; however, lack of PTNS efficacy and lack of patient compliance result in PTNS generally providing less long-term effectiveness than SNM and BOTOX injection therapies.

Our Solution

We believe that our proprietary r-SNM System provides a minimally invasive, effective, and long-lasting solution for SNM therapy to treat patients with OAB and FI. We currently have marketing approvals in Europe, Canada, and Australia with indications for UUI, UUF, UR, and FI. We expect to submit our PMA application with the FDA for UUI during the first quarter of 2019, which completed enrollment of 129 patients in June 2018. Typically, the PMA review process can take from six to 18 months, with the duration depending on a variety of factors.

Our r-SNM System includes two implantable components and two external components.

Implantable Components for Patient

- Miniaturized rechargeable IPG, which houses the electronics and the battery power for the device. It is five cubic centimeters and is intended to provide two weeks of battery life between charges under normaluse conditions.

- Tined four-electrode lead, which delivers current-controlled stimulation to the targeted sacral nerve. The tines help anchor the lead in its desired position.

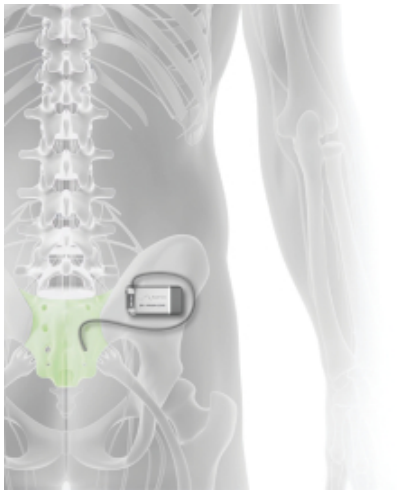
External Components for Patient

- Wireless charging device, which allows transcutaneous charging of the IPG. The charger uses an easy to understand combination of visual, audio and haptic indicators to provide information about the charging status. Further, it has the ability to be held into position by an adhesive fixation device or a reusable and flexible belt, which significantly enhances patient mobility.

- Wireless remote control that communicates with the device at a range of up to approximately three feet, which is a small and easy-to-use device that allows the patient to adjust stimulation intensity levels and turn on or off stimulation. The remote control includes a light-emitting diode light that indicates therapy intensity and the status of remaining battery life of the IPG.

Implantable Pulse Generator | **Wireless Charging Device** | **Patient Remote Control**

The implantable components of our r-SNM System deliver mild electrical pulses to the targeted sacral nerve, most frequently the S3 nerve, in order to correct the dysfunction by restoring normal communication to and from the brain. The sacral nerves, including the S3 nerve, are located in the pelvic area and are responsible for controlling urethral sphincters, the bladder and anal sphincter muscles. The image below illustrates the location of the two implantable components of our r-SNM System, the IPG and the four-electrode lead:



Benefits of our r-SNM System

We believe that our innovative and proprietary r-SNM System offers similar therapeutic benefits and competitive advantages to InterStim II, including the following important benefits:

- **Safe, effective and durable treatment**. For over 20 years, SNM therapy has been proven to be an effective and durable treatment alternative for patients with OAB and FI. Further, our r-SNM System in our RELAX-OAB study showed compelling safety and effectiveness data, with OAB therapeutic response of 94% for test responders at 12-months.

- **Long-term solution**. We believe that our r-SNM System is the first and only system for SNM therapy with a rechargeable IPG battery that is designed to last approximately 15 years. As a result,

patients implanted with our r-SNM System do not need to undergo replacement surgery on average every 4.4 years, as is the case for patients implanted with the non-rechargeable InterStim II, which significantly improves patient experience and reduces the risks of surgery and associated infections.

- **Material benefits to physicians and payors**. The reduced number of replacement procedures allows physicians and facilities to utilize their resources more efficiently. Importantly, we believe that our technology has the potential to significantly reduce overall costs to the healthcare system. In 2016, we commissioned a study, which concluded that a rechargeable SNM system with a 15-year battery life could potentially reduce overall U.S. healthcare costs by up to $12 billion over a 15-year horizon.

- **Smaller and lighter IPG**. Since our r-SNM System's IPG casing combines ceramic and titanium, we have been able to design our IPG to be 60% smaller, and half the weight of InterStim II, which is designed to be more comfortable for patients and reduce pain at the implant site.

- **Constant current**. We have engineered our r-SNM System to have constant current, which is important because it adapts to the body's physiological changes, which we expect will provide a more consistent and reliable therapy over time and reduce patient and physician management of the therapy. To determine the requisite amount of constant current for SNM therapy, we divide voltage by impedance. Our IPG then adjusts to impedance change and allows a patient to maintain stimulation in what we believe to be an optimum therapeutic range. InterStim II uses voltage control, which results in less electrical pulse current reaching the targeted nerve once the surrounding tissue conductivity decreases, resulting in less reliable stimulation and typically more patient visits for stimulation reprogramming.

- **Improved patient experience**. We designed our r-SNM System based on patient feedback to provide an improved patient experience. Our r-SNM System is differentiated by a wireless charging system with haptic tones and vibrations, and a discrete, small and easy-to-use remote control. Our r-SNM System offers efficient wireless recharging with an interval of approximately one hour once every two weeks under normal use conditions.

- **Simplified physician implantation and programming**. We designed and custom built a touchscreen clinician programmer that guides the implanting physician through electrode placement and stimulation programming. In addition, our clinician programmer allows physicians to connect to a patient's IPG, while the patient is in the physician's care, to access key therapy data that is stored and maintained on the IPG.

As an example of the perceived benefits of our r-SNM System, in 2017, we surveyed 47 healthcare professionals in the United States and Europe, consisting of urogynecologists, urologists, colorectal surgeons, and nurses, about certain aspects of our r-SNM System. 100% of the healthcare professionals who responded to this question indicated that they plan to "most likely" or "definitely" offer our r-SNM System to their patients. Approximately 33% of the healthcare professionals who responded to this question indicated that they expect 75% of their implants to be rechargeable and approximately 58% of the healthcare professionals who responded to this question indicated that they expect greater than 90% of their implants to be rechargeable. Only approximately 9% of the healthcare professionals who responded to this question indicated that they expect 50% of their implants to be rechargeable.

Overview of our External Trial System

Our external trial system can be used during an evaluation period by a physician to determine if a patient is a good candidate for SNM therapy. This system includes a disposable external stimulation device, a disposable implantable lead, and a patient remote control. The external stimulation device is comprised of a

temporary, non-rechargeable, current controlled pulse generator. The temporary implantable lead has a single electrode. Unlike InterStim II, the remote control used in the external trial system is the same remote control used in our permanent r-SNM System. In addition, our external trial system can be used for a bilateral percutaneous nerve evaluation trial or a tined lead evaluation trial. In July 2018, we received the CE Mark for our external trial system.

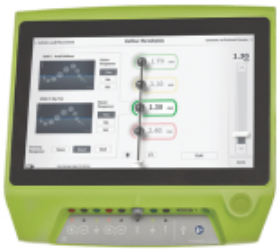
Overview of our Physician Tools

We provide physicians with a clinician programmer and a surgical tool kit to assist them while implanting our r-SNM System. Our clinician programmer also allows physicians to connect to a patient's IPG, while the patient is in the physician's care, to access key therapy data that is stored and maintained on the IPG.

Clinician Programmer

We designed and custom built our touchscreen clinician programmer. The IPG is programmed by, and wirelessly communicates at a range of up to approximately three feet with the clinician programmer. This programmer is designed to simplify and assist with electrode placement and stimulation programming experience for physicians. It has a series of touchscreens with a graphical user interface that provides information to the physician, such as measured data, test stimulation adjustments, and electrode configurations based on the utilization of proprietary algorithms. Further, it enables the clinician programmer to access any r-SNM IPG data and its complete history. The clinician programmer records and stores all data from the IPG and enables a physician to store and retrieve this data electronically.

Clinician Programmer



Surgical Tool Kit

The single-use surgical tool kit provides the physician with the tools necessary for the r-SNM System implant procedure. The tools provided are familiar for physicians experienced in SNM implants and follow the established surgical techniques for the implant.

Treatment with our r-SNM System

Patient Selection

SNM therapy is an approved therapy for patients with symptoms such as UUI, UUF, and UR who are not candidates for more conservative therapies. This therapy is not intended for patients with a mechanical obstruction such as benign prostatic hyperplasia, a tumor, or urethral stricture. Further, the therapy is not indicated for pregnant women, or pediatric use.

SNM therapy for bowel control is indicated for the treatment of FI in patients who are not candidates for more conservative treatments. The therapy is not indicated for pregnant women, or pediatric use.

Implantation

Before receiving our r-SNM System, a patient in the United States typically undergoes an external trial period.

External Trial Period

The short external trial procedure, which typically lasts approximately under an hour, is generally performed in the office or outpatient setting and typically involves a percutaneously placed lead, which a physician implants near the targeted sacral nerve using a needle, with the location confirmed utilizing fluoroscopy and intraoperative muscle responses evoked by test stimulation. The lead is then connected to a temporary, disposable external trial system which provides stimulation for the therapy. The trial period can last between a few days and several weeks after which the physician evaluates the effectiveness of SNM therapy through several measures, including urinary or fecal episodes and patient satisfaction. Approximately 70% of patients proceed from trial stimulation to permanent implant depending on the trial type and patient selection.

Permanent Implant

Patients who have undergone a successful external trial period are eligible for a permanent IPG implant procedure. The permanent implant procedure typically occurs in a hospital or outpatient setting, usually lasting under an hour, and includes implantation of the IPG and, if a temporary lead was used for the trial, implantation of the permanent lead. The IPG is inserted through a small incision into a pocket in the subcutaneous fat of the upper buttocks, and the lead body is tunneled to the IPG pocket and connected to the IPG.

Activation and Programming

Following the implant procedure or within a week thereafter, the patient has their stimulation programmed. Stimulation settings are adjusted to ensure they are comfortable to the patient. Reprogramming sessions may be necessary to achieve and maintain symptom reduction or to address discomfort. After initial programming, a patient has the ability to modify the therapy with the patient remote control.

Our Clinical Results and Studies

We are continuing to develop a growing body of compelling clinical evidence that demonstrates the safety, effectiveness, and sustained benefits of our r-SNM System. We have two clinical studies relating to our r-SNM System, a European study, RELAX-OAB, and a U.S. pivotal study, ARTISAN-SNM. We have implanted 51 patients in our RELAX-OAB study and 129 patients in our ARTISAN-SNM pivotal study, and 41 in our investigator-initiated case series and commercially.

Our RELAX-OAB study that began in June 2016 evaluated 51 patients at seven sites in Europe that suffered from OAB subtypes UUI and/or UUF. A subset of the patients suffered from both UUI and UUF. Patients in the study were directly implanted without an external trial period. Within the first month, we evaluated the patients to determine if they were a test responder to the therapy, which we refer to collectively as test responders. Patients were considered test responders if they experienced (i) for patients suffering from UUI, at least a 50% reduction in the average number of leaks per day or (ii) for patients suffering from UUF (a) at least a 50% reduction in the average number of voids per day or (b) a reduction to less than eight voids per day, in each case based on a three-day bladder diary. For the subset of patients who suffered from both UUI and UUF, if a patient qualified as a test responder for either UUI or UUF, that patient was considered a test responder to the therapy. At one month, 71% of patients were test responders to the therapy. At three, six and 12 months, OAB response rate for the test responders was 91%, 94%, and 94%, respectively. Test responders also experienced clinically meaningful improvements in quality of life at 12 months. In addition, at 12 months, 84% of test responders were “very” or “moderately” satisfied with the therapy, and 100% of test responders found the

duration of charging to be “very” or “moderately” acceptable. The three-month results were published in the peer reviewed *Journal of Neurourology and Urodynamics* in February 2018 and the 12-month results have been submitted for publication. We are following patients out to two years in this study and may follow patients out to five years at selected study sites.

In June 2018, we completed the enrollment and implantation of 129 patients with UUI for our ARTISAN-SNM pivotal study. These patients are being evaluated at 14 centers in the United States and five centers in Europe. Out of 129 patients, 119 were directly implanted without an external trial period. We have determined the study’s primary endpoint to be the percentage of test responders that have a therapeutic response, defined as at least a 50% reduction in the number of urgency leaks per day on a three-day bladder diary at six months post-implant. All patients were evaluated as being “test responders” or “test failures” based on their therapy response at the one-month follow-up. “Test responders” were defined as showing at least a 50% reduction in urgency leaks on a three-day bladder diary at the one-month follow-up. 113 of 129 patients, or approximately 88%, were determined to be test responders at the one-month follow-up. The remaining 16 of 129 patients, or approximately 12%, were determined to be test failures at the one-month follow-up. We have obtained partial three-month data for this study for 110 patients and 95 test responders. In these partial three-month results, therapy response rate was 96% for test responders and 87% for all patients, and 95% of test responders and 89% of all patients were “very” or “moderately” satisfied with the therapy. We expect that six-month results will be available in the first quarter of 2019. Further, we expect to submit our PMA application with the FDA during the first quarter of 2019. Typically, the PMA review process can take from six to 18 months, with the duration depending on a variety of factors. An investigator-initiated case series performed in Southampton, U.K. also supports the safety and effectiveness of our r-SNM System in treating patients with FI. In this case series, 13 consecutive patients with FI were offered the choice of treatment between our r-SNM System and InterStim II. Of these 13 patients, 10 patients chose our r-SNM System over InterStim II. As a primary reason for preferring our r-SNM System, seven patients cited the small size, and three patients cited the long life or rechargeability of our r-SNM System. Similar to our clinical studies, this patient cohort did not receive an external trial period prior to system implant. According to the investigator, of the 10 patients implanted with our r-SNM System, eight patients reported clinically significant relief of symptoms and improvements in quality of life at six months.

To date, we have observed no unanticipated adverse events, or AEs, or serious device-related AEs, in any of our clinical studies or the FI case series. Further, the safety and effectiveness of SNM therapy when compared to anticholinergic medications was also supported by the InSite study, a prospective, randomized, multi-center study, published on January 10, 2014 in the *Journal of Neurourology and Urodynamics*. This study was sponsored by Medtronic and began in 2007 and ended in 2016, after the last patient reached the five-year endpoint.

RELAX-OAB Study

Overview

We sponsored the RELAX-OAB study, a multicenter, prospective, single-arm, unblinded study conducted as a post-market follow-up after receiving a CE Mark in Europe in 2016 to evaluate the safety and effectiveness of our r-SNM System. The study began in June 2016 and was performed at seven centers around Europe. Patients in this study were implanted with our r-SNM System in a single-stage implant procedure without any external trial period, which is in contrast to the general practice where patients are typically screened for suitability with an external test stimulator before proceeding to the full implant.

We implanted and evaluated 51 patients that had a primary diagnosis of OAB, with UUI indicated by a minimum of two incontinence episodes over three days, and UUF indicated by at least eight voids per day, in each case as shown on a three-day bladder diary. Study patients had also failed, been contraindicated or refractory for, first- and second-line therapies, such as behavioral modification and medication. Of the total 51

patients, 38 were females and 13 were males, with an average age of 51 years old, ranging from 21 to 77 years old. In addition, the average body mass index, or BMI, for the 51 patients was 27, ranging from a minimum of 16 to a maximum of 38. Further, 98% of the patients had UUF, with an average of 14.7 (±0.9, standard error) voids per day, and 73% had UUI, with an average of 9.6 (±0.8, standard error) leaks per day. Approximately 51% of the patients had previously been treated with other third-line therapies, such as BOTOX injections and/or PTNS.

Patients were evaluated as being "test responders" or "test failures" based on their therapy response within the first month. Patients were considered test responders if they experienced (i) for patients suffering from UUI, at least a 50% reduction in the average number of leaks per day or (ii) for patients suffering from UUF (a) at least a 50% reduction in the average number of voids per day or (b) a reduction to less than eight voids per day, in each case based on a three-day bladder diary. For the subset of patients who suffered from both UUI and UUF, if a patient qualified as a test responder for either UUI or UUF, that patient was considered a test responder to the therapy. At the end of the one-month period, 34 of the 48 patients, or 71%, were determined to be test responders, and 14 of the 48 patients were determined to be test failures.

The primary effectiveness endpoint was mean change in the International Consultation on Incontinence Modular Questionnaire, or ICIQ-OABqol, score as compared to baseline, a standard measure of quality of life for OAB patients. ICIQ-OABqol is a validated questionnaire that measures a patient's quality of life based on a patient's reporting on a 0 to 100 scale, with zero representing the lowest quality of life and 100 representing the best quality of life. This same questionnaire was also used by Medtronic in the InSite study to evaluate the impact of SNM therapy of quality of life.

Additional performance measures evaluated the percentage of patients that were therapy responders, as well as AEs, patient satisfaction, and recharging experience as measured on a questionnaire. We recorded data on the patients for the primary effectiveness endpoint and the additional performance measures at three months, six months and 12 months for test responders and all implanted patients. We will continue to follow these patients until two years after implantation and may follow patients out to five years at selected study sites.

Study Results

The three-month results were published in the peer reviewed *Journal of Neurourology and Urodynamics* in February 2018 and the 12-month results have been submitted for publication. The study met the primary endpoints at three months. Of the 51 implanted patients, 48, 46, and 43 completed the three-, six-, and 12-month follow-ups, respectively, with no major protocol deviations. The remaining patients at each of these follow-ups were excluded because of major protocol deviations or due to explants as described below under "Explants."

Quality of life

At three months, patients experienced clinically meaningful improvements in quality of life. Compared to the baseline of 55.2 (±3.8, standard error), the composite ICIQ-OABqol score increased by an average of 27.3 points in test responders (±3.6, standard error) and 21.8 points in all patients at three months, a substantial improvement from the clinically minimally important difference of 10 points. Additionally, scores on concern, coping, sleep, and social interaction subscales of the ICIQ-OABqol also showed significant improvements. Clinically meaningful quality of life improvements were sustained for test responders at six months and 12 months in the composite quality of life score and all subscale scores, as illustrated in the table below.

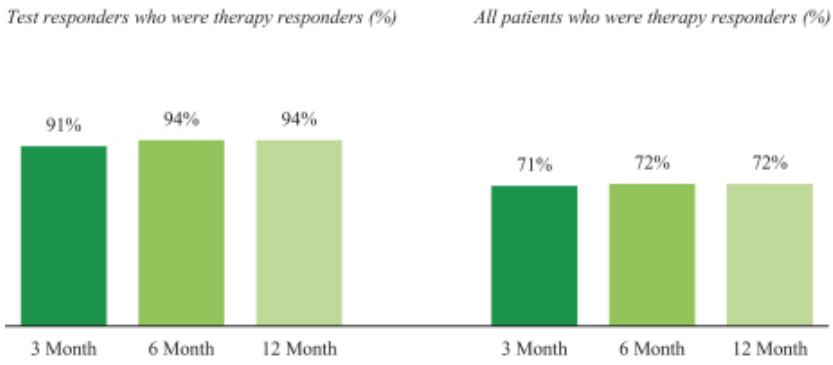
RELAX-OAB—ICIQ-OABqol—Change in Score Compared to Baseline for Test Responders

	3 Month	6 Month	12 Month
Number of Patients (#)	**34**	**34**	**32**
Composite Quality of Life Score			
Total Score (#)	+27.3	+25.8	+22.9
Subscales			
Concern	+27.5	+25.3	+24.0
Coping	+33.5	+32.5	+26.6
Sleep	+25.1	+23.5	+19.1
Social Interaction	+19.3	+18.1	+19.0

OAB Therapy Response Rate

Patients were considered OAB therapy responders if they experienced (i) for patients suffering from UUI, at least a 50% reduction in the average number of leaks per day or (ii) for patients suffering from UUF (a) at least a 50% reduction in the average number of voids per day or (b) a reduction to less than eight voids per day, in each case based on a three-day bladder diary. Any patient that had both UUI and UUF symptoms that showed a therapy response in both UUI and UUF was counted as two OAB therapy responders. Of the 34 test responders, 31 patients, or 91%, continued to respond to the therapy at three months. For all patients, 34 of 48, or 71%, were therapy responders at three months. Therapy response continued to be robust at six months and 12 months. 94% and 94% of test responders were therapy responders at six months and 12 months, respectively, and 72% and 72 % of all patients were therapy responders at six months and 12 months, respectively. The following table provides a summary of OAB therapy response for test responders who were therapy responders and for all patients who were therapy responders (in percentages).

RELAX-OAB—OAB Responder Rate

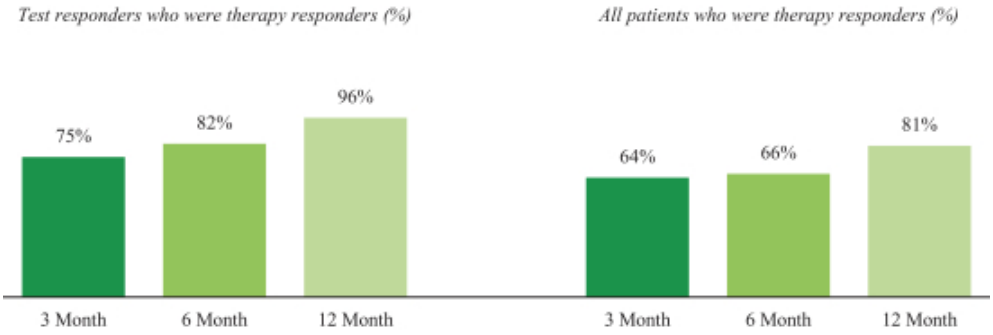


UUI Response

Patients were considered UUI responders if they experienced at least a 50% reduction in the number of average leaks per day on a three-day bladder diary. Test responders had significant improvements in their leaks at three months. Of the 28 test responders with UUI, 21 patients, or 75%, were responders based on their UUI symptoms at three months, including 64% experiencing at least a 75% reduction in leaks per day. At such time, leaks for test responders decreased from 8.3 (± 0.8) per day at baseline to 1.9 per day (± 0.5). 25% of test responders were completely dry at three months. Test responder patients continued to experience significant reductions in leaks at six months and 12 months, as provided in the table below.

Significant improvement of UUI symptoms was also seen in all patients. 30 of 48 patients, or 64%, were responders based on their UUI symptoms at three months. Compared to the baseline of 9.6 leaks per day for all patients, leaks per day reduced by 5.9 (±0.8) at three months. Significant reductions in leaks per day were maintained at six months and 12 months, as illustrated in the table below.

RELAX-OAB—UUI Responder Rate



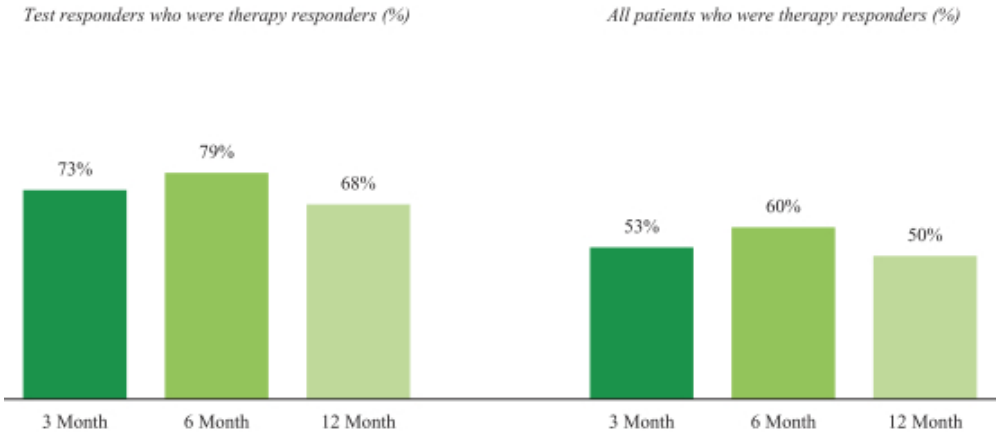
UUF Response

Patients were considered UUF responders if they experienced at least a 50% reduction in the number of average voids per day or a reduction to less than eight voids per day, in each case on a three-day bladder diary. Test responders had significant improvements in their voiding episodes at three months. 24 of the 33 test responders, or 73%, were responders based on a reduction in UUF symptoms, including 61% of test responders that achieved normal levels of voiding, or less than eight voids per day. Compared to the baseline of 14.3 (± 1.1) voids per day, at three months voids per day for test responders were reduced by 6.6 voids per day to 7.7 (± 1.0).

Reductions in voids per day continued for test responders at six months and 12 months, with average voids per day of 7.5 and 8.0 respectively, as illustrated in the table below.

Significant improvements of UUF symptoms were also seen in all patients. 25 of 47 patients, or 53%, were responders based on their UUF symptoms, while 70% of all patients experienced at least a 50% reduction in severe and desperate urgency episodes. Compared to the baseline of 14.7 (± 1.1) voids per day, at three months, voids per day for all patients decreased by 5.5 voids per day to 9.2 (± 0.3). At six and 12 months, all patients showed the reduction in voids per day was maintained, as illustrated in the table below.

RELAX-OAB—UUF Responder Rate



The table below illustrates the number of leaks and voids per day at three, six, and 12 months, compared to the baseline.

RELAX-OAB—UUI and UUF Symptoms

	Test Responders				All Patients			
	Baseline	3 Month	6 Month	12 Month	Baseline	3 Month	6 Month	12 Month
UUI Symptoms								
Number of Patients (#)	28	28	28	26	36	36	35	32
Leaks Per Day	8.3	1.9	2.2	1.8	9.6	3.7	3.9	3.8
UUF Symptoms								
Number of Patients (#)	33	33	33	31	50	47	45	42
Voids Per Day	14.3	7.7	7.5	8.0	14.7	9.2	8.6	9.4

Patient Satisfaction and Recharging Experience

At three months, 82% of test responders and 77% of all patients were “very” or “moderately” satisfied with our r-SNM System. Additionally, 88% of test responders and 77% of all patients reported that they would “definitely” or “probably” recommend r-SNM therapy to friends. Patient satisfaction with the therapy continued at six months and 12 months, with 82% and 84% of test responders satisfied with therapy, respectively, as illustrated in the table below.

RELAX-OAB—Patient Satisfaction

	Test Responders			All Patients		
	3 Month	6 Month	12 Month	3 Month	6 Month	12 Month
Number of Patients (#)	34	34	32	48	46	43
How satisfied are you with the SNM therapy for the treatment of your OAB?						
Very or Moderately satisfied	82.4%	82.4%	84.4%	77.1%	78.3%	76.7%
Slightly satisfied	5.9%	2.9%	6.3%	6.3%	2.2%	9.3%
Neutral	2.9%	0.0%	3.1%	6.3%	0.0%	4.7%
Slightly dissatisfied	2.9%	8.8%	0.0%	4.2%	10.9%	0.0%
Moderately or Very dissatisfied	5.9%	5.9%	6.3%	6.3%	8.7%	9.3%
How likely are you to recommend SNM therapy to a friend?						
Definitely or Probably	88.2%	82.4%	85.7%	77.1%	76.1%	78.9%
Possibly	5.9%	11.8%	7.1%	10.4%	13.0%	7.9%
Neutral	0.0%	0.0%	3.6%	4.2%	2.2%	7.9%
Possibly Not	2.9%	2.9%	0.0%	2.1%	4.3%	2.6%
Probably or Definitely Not	2.9%	2.9%	3.6%	6.3%	4.3%	2.6%

At 12 months, 100% of all patients were able to charge their device. The duration of charging was “moderately” or “very” acceptable for 100% of test responders and 98% of all patients. 91% of test responders and 83% of all patients reported that it was “moderately” or “very” easy to recharge their r-SNM System.

Safety at 12-months

There were no unanticipated AEs reported as it related to the recharging of our r-SNM System. There were reported 20 device-related AEs which occurred in 13 patients, or 25% of all patients. Seven of the 20 AEs, or 35%, occurred during the two-week period after implant. The most common device-related AE was undesirable or uncomfortable stimulation, which was reported by 10 patients as 13 separate events. All of these events were successfully resolved with reprogramming. Pain at the implant site occurred in one of 43 patients, or 2%, and this was also successfully addressed with reprogramming. One incident of lead migration occurred between three and six months after implantation in a patient who engaged in a high-intensity athletic activity that required heavy lifting. There were no reports of lead fracture. There was one procedure-related serious AE, described below under “Explants.”

Therapy Response in Test Failures

Of the patients that were test failures, one of 11, or 9%, was a therapy responder at 12 months with at least 50% reduction in leaks. However, six of the 11 test failures, or 55%, reported being “very” or “moderately” satisfied with SNM therapy. Six of 11, or 55%, test failures had clinically significant improvements on the composite ICIQ-OABqol score.

Explants

We explanted the r-SNM System in one patient three weeks after implantation due to infection at the IPG site, a procedure-related SAE. Additionally, two other patients were explanted between six and 12 months post-implant due to lack of efficacy.

ARTISAN-SNM Pivotal Study

Overview

We are sponsoring the ARTISAN-SNM study, a multicenter, single-arm, unblinded prospective study we are conducting under an Investigational Device Exemption, or IDE, from the FDA which was approved in October 2017. The study is designed to evaluate the safety and effectiveness of our r-SNM System as an aid in the treatment of symptoms of UUI in order to obtain a PMA in the United States. We expect to submit our PMA application to the FDA during the first quarter of 2019. Typically, the PMA review process can take from six to 18 months, with the duration depending on a variety of factors.

The study began in December 2017 and is being performed at 14 centers around the United States and five in Europe. As of June 30, 2018, we had implanted 129 patients and completed the enrollment process for this study. Out of 129 patients, 119 were directly implanted without undergoing any external trial period.

All implanted patients had a primary diagnosis of UUI with at least four urgency leaks on a three-day bladder diary. We believe a three-day bladder diary is appropriate because the clinical literature supports the validity of a three-day bladder diary and the guidelines of the American Urology Association confirm the utility of a three-day bladder diary in evaluating OAB. Study patients had also failed, were contraindicated or refractory for, first- and second-line therapies, such as behavioral modification and medication. Of the total 129 patients, 127 were females and two were males with an average age of 59 years old, ranging from 21 to 86 years old. In addition, the average BMI for the 129 patients was 31, ranging from a minimum of 18 to a maximum of 58. The average symptoms in the implanted patients were 5.6 urgency leaks per day and 10.5 voids per day. Approximately 24% of the patients had previously been treated with other third-line therapies for UUI, such as BOTOX injections and/or PTNS.

Patients were evaluated as being “test responders” or “test failures” based on their therapy response at the one-month follow-up visit. “Test responders” were defined as showing at least 50% reduction in urgency leaks on a three-day bladder diary. 113 of the 129 patients, or approximately 88%, were determined to be test responders at the end of the one-month period. The remaining 16 of 129 patients, or approximately 12%, were determined to be test failures at the end of the one-month period.

We have determined the primary effectiveness endpoint for the study to be the percentage of test responders that are therapy responders at six months post implant. We define therapy response as at least a 50% reduction in number of urgency leaks per day on a three-day bladder diary. The study is also measuring voids per day on a three-day bladder diary, device performance metrics, quality of life improvement on the ICIQ-OABqol questionnaire, AEs, patient satisfaction with the therapy and recharging experience, medication usage, healthcare utilization, and bowel function based on questionnaires. We are currently in the follow-up portion of this study and will record data on these measures at three, six, 12, 18 and 24 months for test responders and all patients.

As part of the IDE approval process for our ARTISAN-SNM pivotal study, the FDA recommended that we make several modifications to the study design in order for the study to serve as the primary clinical support for a future marketing approval. In response, we have engaged with FDA regarding its recommendations, including our latest IDE supplement, which we submitted to the FDA in September 2018. As a result, we incorporated a number of recommended study modifications. We are still waiting for a response from the FDA as to whether the study modifications we implemented appropriately address their recommendations with respect to the elements covered by that supplement.

However, to date we elected not to incorporate several of the recommended modifications based on what we believe are currently accepted urology practice guidelines and the design of previous OAB clinical studies accepted by FDA. We believe certain of these modifications would have resulted in a study design that increased study site and patient burdens, decreased the feasibility of enrollment or were not clearly supported by available peer-reviewed literature or currently accepted urology practice guidelines.

Specifically, the following FDA recommended modifications to our ARTISAN-SNM pivotal study were not, or are not anticipated to be and at this point certain of these cannot be, incorporated:

- *Exclude patients with MUI, which means a patient has both stress urinary incontinence and UUI.* The FDA noted that post-hoc exclusion of data from patients with significant stress urinary incontinence will not be allowed. Although we did not exclude MUI patients from enrollment, the study design was adjusted to revise the primary endpoint to a reduction of urgency leaks only. Inclusion criteria were designed to ensure that the study population consists of subjects that have at least 50% of leaks associated with urgency and exclusion criteria prohibit inclusion of subjects that were treated surgically for stress urinary incontinence during the period starting six months prior to implant and through the primary endpoint. We do not intend to post-hoc exclude any patients because of MUI.

- *Use either a seven-day bladder diary or two separate three-day bladder diaries.* The ARTISAN-SNM pivotal study utilizes a single three-day bladder diary to evaluate patient urinary symptoms because we believe expert physicians, clinical guidelines, and clinical literature support the validity of the three-day bladder diary and provide evidence of the burden and complication of longer duration diaries.

- *Use a 12-month primary effectiveness endpoint in order to account for the placebo effect and enable assessment of durability of the treatment effect*. We expect to submit our PMA application to the FDA during the first quarter of 2019. We expect to include six-month efficacy data with our PMA application. Prior SNM studies demonstrate the durability of SNM treatment from three months to 12 months, with minimal drop-off in success rates over time. Placebo effect for this type of device is traditionally associated with the external trial period, whereas there was no external trial in the ARTISAN-SNM pivotal study that could be invoked to suggest a placebo effect. We believe gathering six-month efficacy data addresses the concern regarding placebo effect. Further, when the full cohort reaches six-month follow-up, we expect to have nine-month follow-up data for part of the cohort and intend to provide this data to the FDA, as part of the PMA. If the six-month data is not deemed adequate, we expect to have 12-month data for the full cohort in third quarter of 2019, which data we expect to be able to provide to the FDA at such time.

- *Use all patients in whom an implant is attempted, not test responders, for primary efficacy analysis*. We included the “all patients” population in the secondary endpoints and ensured the study size was sufficient to meet the secondary endpoints. We intend to provide the FDA with statistical analysis of the therapy response rate in all subjects. 128 of 129 of the implanted patients are currently active in the study. We have not changed the study design to use a primary endpoint based on “all patients” because we believe our primary endpoint is consistent with other clinical studies in the field.

We believe the implementation of the study design modifications in our September 2018 IDE supplement will not result in a significant delay to the study because the modifications are not regarding the conduct or design of the study, but are instead regarding modifications to the analysis of the study data, which is anticipated to take place in early 2019. Although we have not modified the ARTISAN-SNM study design to address all of the above considerations that the FDA has reiterated, based on the preliminary study results to date, and if we achieve sufficiently strong results at six months and beyond, we believe we will be able to provide the FDA with reasonable assurance of the safety and effectiveness of our r-SNM System to support its marketing approval. Nevertheless, it is possible that the FDA could disagree with our study design and require revisions to the study or data from an additional study before approving our PMA. See “Risk Factors—Risks Related to Our Business and Strategy—We currently depend entirely on the successful and timely regulatory approval from the FDA and commercialization of our r-SNM System, our only product. Our r-SNM System may not receive FDA regulatory approval or we may be significantly delayed in receiving regulatory approval. Even if we receive regulatory approval, we may not be able to successfully commercialize our r-SNM System.”

Partial Three-Month Study Results

As of the date of this prospectus, only partial three-month results are available for 110 out of 129 patients and 95 out of 113 test responders, as presented below.

Therapy Response

Of the 110 implanted patients that have reached the three-month follow-up, 110 completed the three-month follow-up with no major protocol deviations. At the three-month follow-up, 96 of 110 implanted patients, or approximately 87%, were therapy responders, including 91 of 95 test responders, or approximately 96%. 72 of all patients, or approximately 66%, had at least a 75% reduction in urgency leaks and 34 of all patients, or approximately 31%, were completely dry, as illustrated in the table below.

ARTISAN-SNM—Therapy Response Rate

	Test Responders 3 Month	All Patients 3 Month
Number of Patients (#)	95	110
Therapy Responders (# (% of patients))		
UUI Responders	91 (96%)	96 (87%)
UUI Responder Details (# (% of responders))		
50-74% improvement in the number of average urgency leaks per day	22 (24%)	24 (25%)
75-99% improvement in the number of average urgency leaks per day	35 (38%)	38 (40%)
100% improvement in the number of average urgency leaks per day	34 (37%)	34 (35%)

Test responders showed significant improvement in their urgency leaks at three months. Urgency leaks of test responders were reduced from 5.5 (±0.3, standard error) per day at baseline to 1.0 per day (±0.1). Significant improvement in urgency leak reduction was also observed in all patients. Urgency leaks of all patients were reduced from 5.6 (±0.3) per day at baseline to 1.5 per day (±0.2), as illustrated in the table below.

ARTISAN-SNM—UUI Symptoms

	Test Responders		All Patients	
	Baseline	3 Month	Baseline	3 Month
Number of Patients (#)	113	95	129	110
UUI Symptoms				
Leaks Per Day	5.5	1.0	5.6	1.5

Patient Satisfaction and Recharging Experience

At three months, 95% of test responders were “very” or “moderately” satisfied with the r-SNM therapy and 89% of all patients were “very” or “moderately” satisfied with the r-SNM therapy. Additionally, 95% of test responders and 89% of all patients reported that they would “definitely” or “probably” undergo r-SNM therapy again. The acceptability of charging was “moderately” or “very” acceptable for 95% of test responders and 94% of all patients. 88% of test responders and 87% of all patients reported that it was “moderately” or “very easy” to recharge their r-SNM System.

Safety

There have been no unanticipated AEs or serious AEs, and no AEs have been reported related to recharging the r-SNM system.

Device-related AEs were reported, which occurred in 8 patients, or 6% of all patients. The most common device-related AE was discomfort due to stimulation, which was reported by 4 patients as 4 separate events. All of these events were successfully resolved with reprogramming the stimulation settings. Pain at the implant site occurred in 2 of 129 patients, or 2%, and the pain resolved without surgical intervention. One incident of lead migration occurred after implantation in a patient who did not adhere to post-procedure care instructions relating to limiting physical activity. The lead was successfully repositioned in this subject. There were no reports of lead fracture.

Explants

We explanted the r-SNM System in one patient four weeks after implantation due to incision site infection.

Six- and 12-Month Study Results

We expect the six- and 12-month results of our ARTISAN-SNM study to be available in the first quarter of 2019 and the third quarter of 2019, respectively.

Southampton Fecal Incontinence Case Series

Overview

In a single center, investigator-initiated case series being conducted since November of 2016 to evaluate the safety and effectiveness of our r-SNM System for treatment of patients with FI, performed in Southampton, U.K., 13 patients with FI were offered the choice of treatment between our r-SNM System and InterStim II. Of these 13 patients, 10 patients chose our r-SNM System over InterStim II, and as a primary reason for preferring our r-SNM System, seven patients cited the small size, and three patients cited the long life or rechargeability of our r-SNM System. Similar to our clinical studies, this patient cohort did not receive an external trial period prior to system implant. Of the 10 patients implanted with our r-SNM System, eight patients reported clinically significant relief of symptoms and improvements in quality of life at the six-month follow-up, as reported by the investigator. This is an investigator-lead case series by an independent physician and while we are providing support to the investigation, the investigator and his team are handling all data collection. Duration of follow up is up to the investigator and is not presently defined.

Safety

There were no unanticipated AEs or serious device-related AEs. No AEs were reported related to recharging our r-SNM System. There were no infections or reports of lead fracture. One out of 10 patients reported pain at implant site which was resolved with resiting of the implant. Additionally, there was one incident of lead migration in a patient who felt pain while dancing but efficacy was restored with new lead placement.

Explants

There were no explants.

Sales and Marketing

Our primary use of proceeds from this offering is to hire a specialty sales force of approximately 60 sales representatives, which we will initially endeavor to hire in anticipation of our potentially receiving FDA approval to support the commercial launch of our r-SNM System in the United States. Further, we expect to grow our sales force over time and the number of our sales representatives at commercial launch will vary and may be

higher depending on the duration of the PMA review process. In anticipation of potential FDA approval, we expect to recruit, hire and train a direct sales force, primarily in the United States. We will seek to recruit representatives with strong sales backgrounds and experience in SNM therapy and other rechargeable and non-rechargeable neurostimulation devices, and with relationships with urologists and urogynecologists. We intend to focus the significant majority of our sales and marketing efforts in the United States because reimbursement for SNM therapy is well-established and covered by most major U.S. insurers.

Through our specialized and dedicated direct sales organization, we plan to target the approximately 2,000 urologists, urogynecologists and colorectal surgeons who are trained and have experience performing SNM procedures. Specifically, we intend to initially target the estimated 850 physician specialists that represent a majority of the SNM implant volume. We estimate that approximately 75% of U.S. implant volume is generated by less than 1,000 physicians. We will initially endeavor to hire a specialty sales force of approximately 60 sales representatives in anticipation of our potentially receiving FDA approval to support the commercial launch of our r-SNM System in the United States and we expect to grow our sales force over time and the number of our sales representatives at commercial launch will vary and may be higher depending on the duration of the PMA review process. We believe this focus will allow us to establish the necessary relationships and drive market penetration.

In order to support our direct sales team, we intend to hire additional clinical support staff to expand our existing team of seven clinical support specialists. This clinical staff will be primarily responsible for attending implant procedures and assisting the implanting physician with programming the device. Based on our clinical experience to date, we believe that physicians experienced in SNM therapy require minimal training to start implanting our r-SNM System.

We also intend to promote broader awareness of SNM therapy for the treatment of OAB among patients and physicians, as well as awareness of the benefits and advantages of our r-SNM System. We plan to engage in awareness raising activities, highlighting the benefits of our r-SNM System in jurisdictions where we are approved to market. In addition, if and when approved in the United States, we intend to increase patient awareness of our r-SNM System through broad marketing initiatives.

While we have received regulatory approval in Europe, Canada, and Australia for OAB, FI, and UR, our main commercial priority is the United States where we expect to begin to commercialize and market our r-SNM System and generate revenue from product sales if and when approved by the FDA. We do expect to expend capital resources pursuing commercial operations in Europe, Canada, and Australia, the amount and timing of which will depend on a variety of factors, including whether reimbursement is available for SNM therapy in such country or region, the size of the developed market for SNM therapy and burdens to entry in such country or region, and other factors specific to certain respective countries and regions. In June 2018, we launched a limited commercial effort in Europe, where we currently have four dedicated sales representatives. Similar to the United States, we intend to replicate our strategy of targeting high-volume physicians and implant facilities.

Third-Party Coverage and Reimbursement

In the United States, we expect to derive nearly all of our revenue from the sale of our r-SNM System to hospitals and ambulatory surgical centers, which typically bill various third-party payors, including Medicare, Medicaid, private insurance companies, health maintenance organizations and other healthcare-related organizations. In addition, we expect that any portion of the costs and fees associated with our r-SNM System that are not covered by these third-party payors, such as deductibles or co-payments, will be billed directly to the patient by the provider. Third-party payors require physicians and hospitals to identify the product and service for which they are seeking reimbursement by using Current Procedural Terminology, or CPT, codes, which are created and maintained by the American Medical Association, or AMA. As SNM therapy has been widely used in patients for over 20 years in the United States, reimbursement codes and payments are well-established and the procedure is covered by Medicare, Medicaid and private health insurance plans.

Physician reimbursement under Medicare is generally based on a defined fee schedule, or the Physician Fee Schedule, through which payment amounts are determined by the relative value of the service rendered by the physician. Medicare generally provides reimbursement to hospitals and ambulatory surgical centers for SNM therapy under the hospital outpatient prospective payment system and the Ambulatory Surgical Center Payment System, respectively, which reimburse to the hospital or ambulatory surgical center, as applicable, a bundled amount generally intended to cover all facility costs related to procedures performed in the outpatient setting. The typical Medicare payment for facility and physician services for an SNM trial and full system implant ranges from approximately $21,600 to approximately $26,400, which covers the cost for the devices and the implantation procedures.

We believe that, if and when approved, our r-SNM System and the associated procedures will be eligible to be considered for payment under the existing CPT codes typically used for SNM therapy, including CPT 64581 for transforaminal implantation of a lead near the sacral nerve and CPT 64590 for insertion or replacement of a peripheral or gastric neurostimulator, which includes a neurostimulator for SNM therapy. Reimbursement rates vary based on several factors, including but not limited to the payor, geographic location, the procedure performed, contract terms, the facility in which the procedure is performed and other factors.

Most large insurers have established coverage policies in place to cover SNM therapy. Certain commercial payors have a patient-by-patient prior authorization process that must be followed before they will provide reimbursement for SNM therapy. These processes typically involve the treating physician submitting a form to the payor that provides information about the past treatments provided to the patient that proved ineffective, and the physician’s recommendation that the patient be treated with SNM therapy. Although the prior authorization process can take several weeks, based on our industry knowledge, it generally results in positive coverage determination for these patients.

Outside the United States, reimbursement levels vary significantly by country and by region, particularly based on whether the country or region at issue maintains a single-payor system. Annual healthcare budgets generally determine the number of SNM systems that will be paid for by the payor in these single-payor system countries and regions. Reimbursement is obtained from a variety of sources, including government-sponsored and private health insurance plans, and combinations of both. Some countries or regions may require us to gather additional clinical data before granting coverage and reimbursement for our r-SNM System. We intend to work with payors to obtain coverage and reimbursement approval in countries and regions where it makes economic sense to do so.

Research and Development

We intend to continue to invest in research and development activities focused on improvements and enhancements to our r-SNM System to improve patient outcomes and further expand patient access to our r-SNM therapy. Research and development expenses were approximately $13.1 million, $12.5 million, and $12.3 million, for the years ended December 31, 2015, 2016, and 2017, respectively. Our goals include introducing market differentiating 1.5T/3.0T MRI full body conditional labelling for our r-SNM System, reducing by half the number of IPG battery recharging sessions required for the IPG to remain charged for one full month, introducing compatibility features that would enable us to compete with the replacement of the IPG of InterStim II, and expanding the suite of product solutions available for SNM therapy over time. Additionally, in the future, we intend to pursue regulatory approval for other indications in the United States in the future.

Manufacturing and Supply

We currently outsource the manufacture of all components of our r-SNM System. We plan to continue with an outsourced manufacturing arrangement for the foreseeable future. Our contract manufacturers are all recognized in their field for their competency to manufacture the respective portions of our r-SNM System and have quality systems established that meet FDA requirements. We believe the manufacturers we currently utilize

have sufficient capacity to meet our launch requirements and are able to scale up their capacity relatively quickly with limited capital investment.

We employ a rigorous supplier assessment, qualification, and selection process targeted to suppliers that meet the requirements of the FDA and the International Organization for Standardization, or ISO, and quality standards supported by internal policies and procedures. Our quality assurance process monitors and maintains supplier performance through qualification and periodic supplier reviews and audits. We are required to maintain ISO 13485 certification for medical devices sold in the European Economic Area, or EEA, which requires, among other items, an implemented quality system that applies to component quality, supplier control, product design and manufacturing operations.

We inspect, test, and assemble our r-SNM System under strict manufacturing processes supported by internal policies and procedures. We perform our own final quality control testing of each r-SNM System. However, we do not have complete control over all aspects of the manufacturing process of, and are dependent on, our contract manufacturing partners for compliance with current Good Manufacturing Practice, or cGMP, regulations applicable to our r-SNM System.

Our suppliers are managed through our supplier management program that is focused on reducing supply chain risk. Key aspects of this program include managing component inventory at the supplier, contractual requirements for last time buy opportunities and second sourcing approaches for specific suppliers. Typically, our outside vendors produce the components to our specifications and in many instances to our designs. Our suppliers are audited periodically by our quality department to ensure conformity with the specifications, policies and procedures for our devices. In addition, we and our suppliers are subject to periodic unannounced inspections by U.S. and international regulatory authorities to ensure compliance with quality regulations. We believe that, if necessary, alternative sources of supply would be available in a relatively short period of time and on commercially reasonable terms.

For our off-the-shelf components, we do not have long-term supply agreements with many of our third-party manufacturers, and we purchase certain components of our r-SNM System on a purchase order basis. We may be unable to establish any agreements with third-party manufacturers or to do so on acceptable terms. We do not currently have arrangements in place for redundant supply of certain components of our r-SNM System. If our current third-party manufacturers cannot perform as agreed, we may be required to replace those manufacturers. Although we believe that there are several potential alternative manufacturers who could manufacture these components, we may incur added costs and delays in identifying and qualifying any such replacement. We believe our manufacturing capacity is sufficient to meet global market demand for our r-SNM System for the foreseeable future after potential approval by the FDA.

Competition

We believe our r-SNM System is designed to offer several needed improvements in the SNM market for patients, physicians, and payors. However, the medical technology industry is highly competitive, subject to rapid change and significantly affected by new product introductions and other activities of industry participants.

We compete as a third-line therapy in the market for the treatment of symptoms of OAB and FI. We consider our primary competition to be implantable SNM devices designed to treat OAB or FI. InterStim II is currently the only implantable SNM device approved for commercialization in the United States by the FDA, is approved for the treatment of the symptoms of OAB, including UUI and UUF, FI, and UR, and, together with its predecessor InterStim II, has been available to and used by physicians for over 20 years. Although we believe that our r-SNM System will offer significant benefits and we will have competitive strengths, our industry is evolving rapidly and we will continue to face significant competition. We expect Medtronic to launch new products or product improvements and release additional clinical evidence within the next few years, which could include pursuing full body MRI and developing a rechargeable SNM device in the near future or

significantly accelerating its existing plans to pursue any of these enhancements. If Medtronic were to develop a new device that is comparable to or more competitive than our r-SNM System in terms of size, battery life, patient and physician ease of operation, efficacy, cost and other features, the physician and patient community may prefer Medtronic's new device over ours due to a variety of factors, including familiarity with, and loyalty to, Medtronic. Additionally, we expect that Medtronic will engage in significant marketing and other efforts with physicians, many of whom they have long-term relationships with, to promote InterStim II and any other future SNM device Medtronic could develop and prevent, delay or reduce adoption of our r-SNM System. We believe other businesses, such as Nuvectra, may be in various stages of developing SNM devices designed to treat OAB or FI.

We also compete with other less invasive third-line treatments, such as BOTOX injections, a product sold by Allergan plc, and PTNS, as well as more invasive surgical treatment options, such as augmentation cystoplasty, which is a procedure that increases the size of the bladder and pharmaceutical companies that manufacture drugs for the treatment of OAB and FI.

We face competition from major medical device companies worldwide, many of which have longer, more established operating histories, and significantly greater financial, technical, marketing, sales, distribution, and other resources. Our overall competitive position is dependent upon a number of factors, including:

- company, product and brand recognition;
- history of product use and physician familiarity with products and treatments;
- regulatory approvals and approved indications;
- product safety, reliability and durability;
- IPG size, rechargeability and battery life;
- quality and volume of clinical data;
- effective marketing to and education of patients, physicians and hospitals;
- product ease of use and patient comfort;
- physician implantation and programming process;
- sales force experience and market access;
- product support and service;
- technological innovation, product enhancements and speed of innovation;
- pricing and revenue strategies;
- procedure costs to patients and the overall healthcare system; and
- dedicated practice development.

In addition to existing competitors, other larger and more established companies may acquire or in-license competitive products and could directly compete with us. These competitors may also try to compete with our r-SNM System on price both directly, through rebates and promotional programs to high volume physicians and coupons to patients, and indirectly, through attractive product bundling with complimentary

products that offer convenience and an effectively lower price compared to the total price of purchasing each product separately. Larger competitors may also be able to offer greater customer loyalty benefits to encourage repeat use of their products and finance a sustained global advertising campaign to compete with commercialization efforts of our r-SNM System. Our competitors may seek to discredit our r-SNM System by challenging our short operating history or relatively limited number of scientific studies and publications. If and when our r-SNM System obtains FDA approval, competitors and other parties may also seek to impact our regulatory approval through the filing of citizen petitions or other similar documents, which could require costly and time-consuming responses to the FDA. Smaller companies could also launch new or enhanced products and services that we do not offer and that could gain market acceptance quickly. Additionally, certain of our competitors may challenge our intellectual property, may develop additional competing or superior technologies and processes and compete more aggressively and sustain that competition over a longer period of time than we could. Our technologies and products may be rendered obsolete or uneconomical by technological advances or entirely different approaches developed by one or more of our competitors. As more companies develop new intellectual property in our market, there is the possibility of a competitor acquiring patents or other rights that may limit our ability to update our technologies and products which may impact demand for our r-SNM System.

Intellectual Property

In order to remain competitive, we must develop and maintain protection for the proprietary aspects of our technologies. We rely on a combination of patent, copyright, trademark and trade secret laws, and confidentiality and invention assignment agreements, to protect our intellectual property rights. The protection of intellectual property has been and remains a priority for us.

We own numerous issued patents and pending patent applications that relate to our r-SNM System and we licensed several issued patents and patent applications from AMF in 2013 pursuant to the License Agreement. As of September 30, 2018, we owned 17 issued U.S. patents and 20 issued foreign patents, and 17 pending U.S. patent applications and 59 pending foreign patent applications, and we licensed from AMF 30 issued U.S. patents and 38 issued foreign patents, and four pending U.S. patent applications and 28 pending foreign patent applications. Assuming all required fees and other charges are paid, issued patents owned or used by us will expire between 2023 and 2037. There is no active patent litigation involving any of our patents and we have not received any notices of patent infringement.

Pursuant to the License Agreement entered into in October 2013, AMF has certain rights to intellectual property that relates to the treatment of human tissue by the application of electrical energy and is reasonably necessary or useful to develop or commercialize the AMF Licensed Products owned by us, the Subject IP. Any Subject IP developed by us, whether solely or jointly with AMF, prior to our consummation of a qualified equity financing, would be owned by AMF and licensed to us as AMF IP under the License Agreement. In addition, AMF has certain rights to any Subject IP that is first created, conceived or reduced to practice subsequent to our consummation of a qualified equity financing as follows: (i) AMF will have exclusive license rights for patented improvements made by us to licensed AMF IP and (ii) AMF may optionally license from us Subject IP owned or controlled by us subject to a license fee, royalties, and use restrictions.

These provisions of the License Agreement have not affected our intellectual property portfolio to date. No Subject IP was developed prior to our consummation of our Series A preferred stock financing in March 2014, a financing constituting a qualified equity financing as used in the paragraph above. Further, we have not made improvements to Subject IP that are subject to the License Agreement and AMF has expressly declined in writing to exercise the option to license intellectual property from us.

Our pending patent applications may not result in issued patents, and we cannot assure you that any current or subsequently issued patents will, individually or collectively, protect our intellectual property rights or provide us with any competitive advantage. While there is no active litigation involving any of our patents or other intellectual property rights and we have not received any notices of patent infringement, we may be

required to enforce or defend our intellectual property rights against third parties in the future. See “Risk Factors—Risks Related to Intellectual Property Matters” for additional information regarding these and other risks related to our intellectual property portfolio and their potential effect on us.

In addition, we own or have rights to trademarks that we use in connection with the operation of our business. We own or have rights to trademarks for our r-SNM System in the United States and selected locations internationally.

We also rely upon trade secrets, know-how and continuing technological innovation, and may in the future rely upon licensing opportunities, to develop and maintain our competitive position. We protect our proprietary rights through a variety of methods, including confidentiality agreements and proprietary information agreements with third party contract manufacturers, suppliers, employees, consultants and others who may have access to proprietary information that we own or license for use.

AMF License Agreement

On October 1, 2013, we entered into the License Agreement pursuant to which AMF agreed to license to us the AMF IP to develop and commercialize the AMF Licensed Products. Any and all improvements to the AMF IP made by us will be owned by AMF and licensed to us under the License Agreement for purposes of making AMF Licensed Products. Pursuant to the License Agreement, AMF granted us a royalty-bearing, sublicensable (by written, executed agreements only, subject to the terms of the License Agreement) license, under the AMF IP, to make, have made, lease, offer to lease, use, sell, offer for sale, market, promote, advertise, import, research, develop and commercialize the AMF Licensed Products worldwide for the treatment of (i) chronic pain in humans through the application of electrical energy to the nervous system, (ii) inflammatory conditions of the human body through the application of electrical energy to the vagus nerve, a nerve that interfaces with parasympathetic control of the heart, lungs and digestive tract and (iii) urinary and fecal dysfunction in humans through the application of electrical energy anywhere in or on the human body, excluding, in each case, any product or method that involves the placement of electrodes or the administration of electrical stimulation inside the cranial cavity or to the ocular nervous system or the auditory nervous system. We have the right to expand the field of use for the AMF Licensed Products to the (i) treatment of any condition (other than inflammatory conditions) in humans through the application of electrical energy to the vagus nerve or anywhere else in the body other than the vagus nerve, and (ii) modulation of digestive process and treatment of digestive conditions in humans through the application of electrical energy anywhere in or on the body, subject to the exclusions described above.

Generally, the license is non-transferable without the prior written consent of AMF, except to an affiliate of our company or in connection with the acquisition of our company (whether by merger, consolidation, sale or otherwise) or the part of our business to which the License Agreement relates, provided that the assignee agrees in writing to be bound to the terms of the License Agreement to which we are bound.

The license is co-exclusive with AMF solely with respect to (i) AMF IP resulting from AMF’s performance of any engineering services rendered under the License Agreement, and (ii) AMF’s right to use AMF IP for non-commercial research, educational and scholarly purposes.

We granted to AMF a royalty-free, worldwide, sublicensable, perpetual, exclusive license to any patent rights controlled by us that arise out of our improvements to the inventions claimed in the AMF IP, or the Axonics Licensed IP. This license granted by us to AMF explicitly excludes uses of the Axonics Licensed IP that are within the scope of the exclusive license of the AMF IP granted by AMF to us. Such license is irrevocable unless we terminate the License Agreement and AMF does not agree to pay us compensation for such license mutually agreed between us and AMF or determined by arbitration in accordance with the terms of the License Agreement.

In addition, the License Agreement provides AMF with the option, or the AMF Option, to license from us any intellectual property owned by us or otherwise in our control, that is related to electrical stimulation of human tissue, separate from the Axonics Licensed IP and AMF IP, on terms that are materially consistent with the terms upon which we license the AMF IP pursuant to the License Agreement, and subject to field of use restrictions that would be determined upon the exercise of the AMF Option. AMF has expressly declined in writing to exercise the AMF Option.

Pursuant to the License Agreement, we are obligated to pay a 4% royalty of all net revenue derived from the AMF Licensed Products if one of the following conditions applies: (i) one or more valid claims within any of the patents licensed to us by AMF covers such AMF Licensed Products or the manufacture of such AMF Licensed Products or (ii) for a period of 12 years from the first commercial sale anywhere in the world of such AMF Licensed Product, in each case, subject to certain adjustments.

In 2017, we sold several of our r-SNM Systems as part of a one-time evaluation agreement with a hospital in Canada. As a result, we generated net revenue of $128,118 and recorded related royalties of $4,972 during the fiscal year ended December 31, 2017. No revenue was generated and no payments were made during the fiscal year ended December 31, 2016. In addition, beginning in 2018, we are required to pay AMF a minimum annual royalty, or the Minimum Royalty, payable quarterly if the royalty due is in excess of the Minimum Royalty, which will automatically increase each calendar year thereafter, subject to a maximum amount of $200,000 per year. We have accrued $37,500 as of June 30, 2018 toward AMF Minimum Royalties.

Under the License Agreement, for each calendar year beginning in 2018, we are obligated to pay AMF the greater of (i) the amount of the 4% royalty referred to above, and (ii) the Minimum Royalty for such calendar year beginning with 2018. We have 60 days to pay AMF this amount, and if we fail to pay AMF within such 60-day period, AMF may, at its election, convert the exclusive license to a non-exclusive license or terminate the License Agreement.

The initial term of the License Agreement is from October 1, 2013 to October 1, 2033, and will automatically continue until all patents are no longer in force. Upon completion of the initial term, the license granted pursuant to the License Agreement will be fully paid-up and perpetual except that if we wish to continue to practice any of the patents licensed to us by AMF that remain in force after such initial term, then we will have to continue to pay a reduced royalty for so long as such patent remains in force.

Each party may terminate the License Agreement if the other party commits a material breach of any obligation under the License Agreement and such breach is not cured within 90 days following receipt of notice of such breach from the other party. AMF may terminate the License Agreement upon (i) notice to us in the event we challenge or assist any other person or entity in challenging the patentability, enforceability or validity of any of the AMF patents licensed to us under the License Agreement, subject to certain exceptions including challenges that we are not infringing any such AMF patent, and (ii) upon our filing of or the institution of bankruptcy, reorganization, liquidation or receivership proceedings, or upon an assignment of a substantial portion of our assets for the benefit of creditors, and in the case of involuntary bankruptcy, in the event we consent to such bankruptcy and it is not dismissed within 90 days. Lastly, we may terminate the License Agreement in full for any reason effective upon 60 days written notice to AMF.

The License Agreement was amended twice in February 2014, once in connection with our Series A preferred stock financing, in order to, among other things, include the field of the treatment of urinary and fecal dysfunction in humans through the application of electrical energy anywhere in or on the human body, within the scope of the licenses granted therein, an option under the License Agreement that required us to pay $1,000,000. In consideration for the inclusion of this field with the scope of the licenses granted in License Agreement, we issued AMF 50,000 shares of our Series A preferred stock.

As of June 30, 2018, AMF holds 740,000 shares of our common stock, 125,000 shares of our Series A preferred stock, and 771,161 shares of our Series B-1 preferred stock. John Petrovich, a member of our board of

directors, is the President, Chief Executive Officer, Senior Vice President, Business Development, and General Counsel of AMF.

Government Regulation Applicable to Us

Our r-SNM System and our operations are subject to extensive regulation by the FDA and other federal and state authorities in the United States, including the United States Federal Communications Commission, or FCC, as well as comparable authorities in the European Economic Area, or EEA. Our r-SNM System is subject to regulation as a medical device under the Federal Food, Drug, and Cosmetic Act, or FDCA, as implemented and enforced by the FDA. The FDA regulates the development, design, non-clinical and clinical research, manufacturing, safety, efficacy, labeling, packaging, storage, installation, servicing, recordkeeping, premarket clearance or approval, import, export, adverse event reporting, advertising, promotion, marketing and distribution, and import and export of medical devices to ensure that medical devices distributed domestically are safe and effective for their intended uses and otherwise meet the requirements of the FDCA.

In addition to U.S. regulations, we are subject to a variety of regulations in the EEA governing clinical studies and the commercial sales and distribution of our r-SNM System. Whether or not we have or are required to obtain FDA clearance or approval for a product, we will be required to obtain authorization before commencing clinical studies and to obtain marketing authorization or approval of our product under the comparable regulatory authorities of countries outside of the United States before we can commence clinical studies or commercialize our product in those countries. The approval process varies from country to country and the time may be longer or shorter than that required for FDA clearance or approval.

FDA Premarket Clearance and Approval Requirements

Unless an exemption applies, each medical device commercially distributed in the United States requires either FDA clearance of a 510(k) premarket notification or PMA approval. Under the FDCA, medical devices are classified into one of three classes—Class I, Class II or Class III de novo authorization—depending on the degree of risk associated with each medical device and the extent of manufacturer and regulatory control needed to ensure its safety and effectiveness. Class I includes devices with the lowest risk to the patient and are those for which safety and effectiveness can be assured by adherence to the FDA's General Controls for medical devices, which include compliance with the applicable portions of the Quality System Regulation, or QSR, facility registration and product listing, reporting of adverse medical events, and truthful and non-misleading labeling, and promotional materials. Class II devices are subject to the FDA's General Controls, and special controls as deemed necessary by the FDA to ensure the safety and effectiveness of the device. These special controls can include performance standards, post-market surveillance, patient registries and FDA guidance documents. While most Class I devices are exempt from the 510(k) premarket notification requirement, manufacturers of most Class II devices are required to submit to the FDA a premarket notification under Section 510(k) of the FDCA requesting permission to commercially distribute the device. The FDA's permission to commercially distribute a device subject to a 510(k) premarket notification is generally known as 510(k) clearance. Under the 510(k) process, the manufacturer must submit to the FDA a premarket notification demonstrating that the device is "substantially equivalent" to either a device that was legally marketed prior to May 28, 1976, the date upon which the Medical Device Amendments of 1976 were enacted, or another commercially available device that was cleared through the 510(k) process of the subject of de novo authorization.

Devices deemed by the FDA to pose the greatest risks, such as life-sustaining, life-supporting or some implantable devices, or devices that have a new intended use, or use advanced technology that is not substantially equivalent to that of a legally marketed device, are placed in Class III, requiring approval of a PMA. Devices for which there is no predicate device and therefore are not eligible for 510(k) review but project a low-to-moderate risk may be eligible for the de novo review process.

We believe our r-SNM System is a Class III device that will require PMA approval in order to be lawfully marketed in the United States.

PMA Approval Pathway

Class III devices require PMA approval before they can be marketed although some pre-amendment Class III devices for which the FDA has not yet required a PMA are cleared through the 510(k) process. The PMA process is more demanding than the 510(k) premarket notification process. In a PMA, the manufacturer must demonstrate that the device is safe and effective, and the PMA must be supported by extensive data, including data from preclinical studies and human clinical studies. The PMA must also contain a full description of the device and its components, a full description of the methods, facilities and controls used for manufacturing, and proposed labeling. Following receipt of a PMA, the FDA determines whether the application is sufficiently complete to permit a substantive review. If the FDA accepts the application for review, the FDA review process can often take up to several years. In some cases, an advisory panel of experts from outside the FDA may be convened to review and evaluate the application and provide recommendations to the FDA as to the approvability of the device. The FDA may or may not accept the panel's recommendation. In addition, the FDA will generally conduct a preapproval inspection of the applicant or its third-party manufacturers' or suppliers' manufacturing facility or facilities to ensure compliance with the QSR.

The FDA will approve the new device for commercial distribution if it determines that the data and information in the PMA constitute valid scientific evidence and that there is reasonable assurance that the device is safe and effective for its intended use(s). The FDA may approve a PMA with post-approval conditions intended to ensure the safety and effectiveness of the device, including, among other things, restrictions on labeling, promotion, sale and distribution, and collection of long-term follow-up data from patients in the clinical study that supported PMA approval or requirements to conduct additional clinical studies post-approval. The FDA may condition PMA approval on some form of post-market surveillance when deemed necessary to protect the public health or to provide additional safety and effectiveness data for the device in a larger population or for a longer period of use. In such cases, the manufacturer might be required to follow certain patient groups for a number of years and to make periodic reports to the FDA on the clinical status of those patients. Failure to comply with the conditions of approval can result in material adverse enforcement action, including withdrawal of the approval.

Certain changes to an approved device, such as changes in manufacturing facilities, methods, or quality control procedures, or changes in the design performance specifications, which may affect the safety or effectiveness of the device, require submission of a PMA supplement. PMA supplements often require submission of the same type of information as a PMA, except that the supplement is limited to information needed to support any changes from the device covered by the original PMA and may require no clinical data or less extensive clinical data than the original PMA or the convening of an advisory panel. Certain other changes to an approved device require the submission of a new supplement or PMA, such as when the design change causes a different intended use, mode of operation, and technical basis of operation, or when the design change is so significant that a new generation of the device will be developed, and the data that were submitted with the original PMA are not applicable for the change in demonstrating a reasonable assurance of safety and effectiveness.

Clinical Studies

Clinical studies are almost always required to support a PMA and are sometimes required to support a 510(k) submission. All clinical investigations of investigational devices to determine safety and effectiveness must be conducted in accordance with the FDA's investigational device exemption, or IDE, regulations which govern investigational device labeling, prohibit promotion of the investigational device, and specify an array of recordkeeping, reporting and monitoring responsibilities of study sponsors and study investigators. If the device presents a "significant risk" to human health, as defined by the FDA, the FDA requires the device sponsor to

submit an IDE application to the FDA, which must become effective prior to commencing human clinical studies. A significant risk device is one that presents a potential for serious risk to the health, safety or welfare of a patient and either is implanted, used in supporting or sustaining human life, substantially important in diagnosing, curing, mitigating or treating disease or otherwise preventing impairment of human health, or otherwise presents a potential for serious risk to a subject. An IDE application must be supported by appropriate data, such as animal and laboratory test results, showing that it is safe to test the device in humans and that the testing protocol is scientifically sound. The IDE will automatically become effective 30 days after receipt by the FDA unless the FDA notifies the applicant that the investigation may not begin. If the FDA determines that there are deficiencies or other concerns with an IDE for which it requires modification, the FDA may permit a clinical study to proceed under a conditional approval.

In addition, the study must be approved by, and conducted under the oversight of, an Institutional Review Board, or IRB, for each clinical site. The IRB is responsible for the initial and continuing review of the IDE, and may pose additional requirements for the conduct of the study. If an IDE application is approved by the FDA and one or more IRBs, human clinical studies may begin at a specific number of investigational sites with a cap on a specific number of patients, as approved by the FDA. If the device presents a non-significant risk to the patient, a sponsor may begin the clinical study after obtaining approval for the trial by one or more IRBs without separate approval from the FDA, but must still follow abbreviated IDE requirements, such as monitoring the investigation, ensuring that the investigators obtain informed consent, and labeling and record-keeping requirements. Acceptance of an IDE application for review does not guarantee that the FDA will allow the IDE to become effective and, if it does become effective, the FDA may or may not determine that the data derived from the trials support the safety and effectiveness of the device or warrant the continuation of clinical studies. An IDE supplement must be submitted to, and approved by, the FDA before a sponsor or investigator may make a change to the investigational plan that may affect its scientific soundness, study plan or the rights, safety or welfare of human subjects.

During a study, the sponsor is required to comply with the applicable FDA requirements, including, for example, trial monitoring, selecting clinical investigators and providing them with the investigational plan, ensuring IRB review, adverse event reporting, record keeping and prohibitions on the promotion of investigational devices or on making safety or effectiveness claims for them. The clinical investigators in the clinical study are also subject to FDA regulations and must obtain patient informed consent, rigorously follow the investigational plan and study protocol, control the disposition of the investigational device, and comply with all reporting and recordkeeping requirements. Additionally, after a trial begins, we, the FDA or the IRB could suspend or terminate a clinical study at any time for various reasons, including a belief that the risks to study subjects outweigh the anticipated benefits.

Post-market Regulation

After a device is cleared or approved for marketing, numerous and pervasive regulatory requirements continue to apply. These include:

- establishment, registration and device listing with the FDA;
- QSR requirements, which require manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all aspects of the design and manufacturing process;
- labeling and marketing regulations, which require that promotion is truthful, not misleading, fairly balanced and provide adequate directions for use and that all claims are substantiated, and also prohibit the promotion of products for unapproved or “off-label” uses and impose other restrictions on labeling;

- FDA guidance on off-label dissemination of information and responding to unsolicited requests for information;
- the federal Physician Sunshine Act and various state and foreign laws on reporting remunerative relationships with health care providers;
- the federal Anti-Kickback Statute (and similar state laws) prohibiting, among other things, soliciting, receiving, offering or providing remuneration intended to induce the purchase or recommendation of an item or service reimbursable under a federal healthcare program, such as Medicare or Medicaid. A person or entity does not have to have actual knowledge of this statute or specific intent to violate it to have committed a violation;
- the federal False Claims Act (and similar state laws) prohibiting, among other things, knowingly presenting, or causing to be presented, claims for payment or approval to the federal government that are false or fraudulent, knowingly making a false statement material to an obligation to pay or transmit money or property to the federal government or knowingly concealing, or knowingly and improperly avoiding or decreasing, an obligation to pay or transmit money to the federal government. The government may assert that items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;
- clearance or approval of product modifications to 510(k)-cleared devices that could significantly affect safety or effectiveness or that would constitute a major change in intended use of a cleared device, or approval of a supplement for certain modifications to PMA devices;
- medical device reporting regulations, which require that a manufacturer report to the FDA if a device it markets may have caused or contributed to a death or serious injury, or has malfunctioned and the device or a similar device that it markets would be likely to cause or contribute to a death or serious injury, if the malfunction were to recur;
- correction, removal and recall reporting regulations, which require that manufacturers report to the FDA field corrections and product recalls or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health;
- complying with the new federal law and regulations requiring Unique Device Identifiers, or UDI, on devices and also requiring the submission of certain information about each device to the FDA's Global Unique Device Identification Database, or GUDID;
- the FDA's recall authority, whereby the agency can under certain circumstances order device manufacturers to recall from the market a product that is in violation of governing laws and regulations; and
- post-market surveillance activities and regulations, which apply when deemed by the FDA to be necessary to protect the public health or to provide additional safety and effectiveness data for the device.

We may be subject to similar foreign laws that may include applicable post-marketing requirements such as safety surveillance.

Our manufacturing processes will be required to comply with the applicable portions of the QSR, which covers the methods and the facilities and controls for the design, manufacture, testing, production, processes, controls, quality assurance, labeling, packaging, distribution, installation and servicing of finished devices

intended for human use. The QSR also requires, among other things, maintenance of a device master record, device history file, and complaint files. As a manufacturer, our facilities, records and manufacturing processes are subject to periodic scheduled or unscheduled inspections by the FDA. Our failure to maintain compliance with the QSR or other applicable regulatory requirements could result in the shut-down of, or restrictions on, our manufacturing operations and the recall or seizure of our r-SNM System.

The discovery of previously unknown problems with our r-SNM System, including unanticipated adverse events or adverse events of increasing severity or frequency, whether resulting from the use of the device within the scope of its approval, could result in restrictions on the device, including the removal of our r-SNM System from the market or voluntary or mandatory device recalls.

The FDA has broad regulatory compliance and enforcement powers. If the FDA determines that we failed to comply with applicable regulatory requirements, it can take a variety of compliance or enforcement actions, which may result in any of the following sanctions:

- warning letters, untitled letters, fines, injunctions, consent decrees and civil penalties;
- recalls, withdrawals, or administrative detention or seizure of our r-SNM System or any future product candidates;
- operating restrictions or partial suspension or total shutdown of production;
- refusing or delaying requests for 510(k) marketing clearance or PMA approvals of new products or modified products;
- withdrawing 510(k) clearances or PMA approvals that have already been granted;
- refusal to permit the export or import of our r-SNM System or future product candidates; or
- criminal prosecution.

Regulation of Medical Devices in the EEA

Medical devices, other than active implantable medical devices, or AIMDs, placed on the market in the EEA (which is comprised of the 28 Member States of the EU plus Norway, Liechtenstein and Iceland) must comply with the essential requirements set out in Annex I of the Directive 93/42/EEC, also known as the Medical Devices Directive. Therefore, our external trial system, is subject to this directive.

Separately, active implantable medical devices are governed by Directive 90/385/EEC, also known as the Active Implantable Medical Devices Directive, or AIMD Directive. AIMDs are defined as medical decides that rely on a source of electrical energy or any source of power other than that generated by the body, which are totally or partially introduced, either surgically or medically, into the human body and intended to remain after the procedure. We believe that our r-SNM System, or our internal product, qualifies as an AIMD and must therefore comply with the AIMD Directive, more specifically with the essential requirements it sets out at Annex I.

An overarching essential requirement proscribed under both the AIMD Directive and the Medical Devices Directive is that any device must be designed and manufactured in such a way that it will not compromise the clinical condition or safety of patients, or the safety and health of users and others. In addition, the device must achieve the performances intended by the manufacturer and be designed, manufactured and packaged in a suitable manner.

In addition to the essential requirements set out under both the AIMD and Medical Devices Directives, the European Commission has adopted various standards applicable to medical devices. These include standards governing common requirements, such as sterilization and safety of medical electrical equipment, and product standards for certain types of medical devices. There are also harmonized standards relating to design and manufacture. While not mandatory, compliance with these standards is viewed as the easiest way to satisfy the essential requirements, creating a rebuttable presumption that the device satisfies the essential requirements.

Under the AIMD Directive, manufacturers must demonstrate compliance with the essential requirements laid down in Annex I by undergoing a conformity assessment procedure. Conformity assessment procedures require an assessment of available clinical evidence, literature data for the product and post-market experience in respect of similar products already marketed to ensure and declare that the products in question comply with the standards set out in Annex I of the AIMD Directive. In addition, a conformity assessment procedure requires the intervention of a Notified Body. Notified Bodies are separate entities that are authorized or licensed to perform such assessments by the governmental authorities of each EU Member State. Manufacturers of AIMDs must make an application to a Notified Body for an assessment of its technical dossiers and quality system. Alternatively, manufacturers can seek approval from the Notified Body that a representative sample of the products it has manufactured satisfies the requirements set out in the AIMD Directive and subsequently ensure and declare that all of its products conform to the standard of the approved sample. This is also known as “type approval.”

Similar requirements for conformity assessment procedures apply under the Medical Devices Directive, which vary according to the type of medical device and its classification. We believe that our external device is categorized as a Class IIa device under Annex IX of the Medical Devices Directive. As such, the conformity assessment procedure requirements for our external device are identical to those detailed above for our internal product under the AIMD Directive.

If satisfied that the AIMD or other medical device conforms to the relevant essential requirements, the Notified Body issues a certificate of conformity, which the manufacturer uses as a basis for its own declaration of conformity (see above). The manufacturer may then apply the CE mark to the device, which allows the device to be legally placed on and traded within the market throughout the EEA. Once the product has been placed on the market in the EEA, the manufacturer must comply with requirements for reporting incidents and field safety corrective actions associated with the product.

In order to demonstrate safety and effectiveness for their AIMDs and other medical devices, manufacturers must conduct clinical investigations in accordance with the requirements of Annex X to the Medical Devices Directive and Annex 7 to the AIMD Directive, as well as standards (if any) which may be imposed by national authorities of EEA states in addition to those set out in Annex X to the Medical Devices Directive and Annex 7 to the AIMD Directive, or the Directives. Clinical studies for medical devices usually require the approval of an ethics review board and approval by or notification to the national regulatory authorities. Both regulators and ethics committees also require the submission of serious adverse event reports during a study and may request a copy of the final study report.

On April 5, 2017, the European Parliament adopted the Medical Devices Regulation (Regulation 2017/745), which will repeal and replace both AIMD and Medical Devices Directives. The Medical Devices Regulation is directly applicable in the EEA. This is intended to eliminate current differences in the regulation of medical devices among EEA countries. The Medical Devices Regulation, among other things, is intended to establish a uniform, transparent, predictable and sustainable regulatory framework across the EEA for medical devices and ensure a high level of safety and health while supporting innovation.

The Medical Devices Regulation will only become applicable after the three-year transition period ends on May 26, 2020. Up until this date, conformity certificates can continue to be issued validly by Notifiable Bodies under the AIMD and Medical Devices Directives. Alternatively, during the three-year transition period,

manufacturers can choose to conform with and have their products certified under the Medical Devices Regulations. Certificates of compliance issued pursuant to these Directives prior to May 26, 2020 will continue to be valid for up to a period of 4 years. However, after May 26, 2020, new products placed on the market may only be certified under the Medical Device Regulations regime. This new regime will, among other things:

- strengthen the rules on placing devices on the market and reinforce surveillance once they are available;
- establish explicit provisions on manufacturers' responsibilities for the follow-up of the quality, performance and safety of devices placed on the market;
- improve the traceability of medical devices throughout the supply chain to the end-user or patient through a unique identification number;
- set up a central database to provide patients, healthcare professionals and the public with comprehensive information on products available in the EU; and
- strengthen rules for the assessment of certain high-risk devices, such as implants, which may have to undergo an additional check by experts before they are placed on the market.

United Kingdom's Vote to Leave the EU

The withdrawal of the United Kingdom from the EU will take effect either on the effective date of the withdrawal agreement or, in the absence of an agreement, two years after the United Kingdom provided its notice of withdrawal. The effects of Brexit will depend on any agreements the United Kingdom makes to retain access to EU markets either during a transitional period or more permanently. Since a significant proportion of the regulatory framework in the United Kingdom is derived from EU directives and regulations, the referendum could materially change the regulatory regime applicable to products approved and sold in the United Kingdom. It is possible that there will be greater restrictions on imports and exports between the United Kingdom and EU countries, increased regulatory complexities, and economic and political uncertainty in the region. Because of the continued uncertainty about the effects, implementation, or potential repeal of Brexit, we cannot quantify or predict with any certainty the likely impact of Brexit or related legislation on our business, financial condition, and results of operations.

In addition, in event of Brexit, European and worldwide economic or market conditions will be affected, which could lead to instability in global financial markets. Brexit is likely to lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which EU laws to replace or replicate. Any of these effects of Brexit, and others we cannot anticipate, could adversely affect our business, financial condition, and results of operations.

Regulation of Medical Devices in Other Jurisdictions

We are subject to regulations and product registration requirements in many foreign countries in which we may sell our r-SNM System, including in the areas of:

- design, development, manufacturing and testing;
- product standards;
- product safety;
- product safety reporting;

- marketing, sales and distribution;
- packaging and storage requirements;
- labeling requirements;
- content and language of instructions for use;
- clinical studies;
- record keeping procedures;
- advertising and promotion;
- recalls and field corrective actions;
- post-market surveillance, including reporting of deaths or serious injuries and malfunctions that, if they were to recur, could lead to death or serious injury;
- import and export restrictions;
- tariff regulations, duties and tax requirements;
- registration for reimbursement; and
- necessity of testing performed in country by distributors for licensees.

The time required to obtain clearance required by foreign countries may be longer or shorter than that required for FDA clearance, and requirements for licensing a product in a foreign country may differ significantly from FDA requirements.

Federal, State and Foreign Fraud and Abuse and Physician Payment Transparency Laws

In addition to FDA restrictions on marketing and promotion of drugs and devices, other federal and state laws restrict our business practices. These laws include, without limitation, foreign, federal, and state anti-kickback and false claims laws, as well as transparency laws regarding payments or other items of value provided to healthcare providers.

The federal Anti-Kickback Statute prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving any remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, in cash or in kind to induce or in return for purchasing, leasing, ordering or arranging for or recommending the purchase, lease or order of any good, facility, item or service reimbursable, in whole or in part, under Medicare, Medicaid or other federal healthcare programs. The term “remuneration” has been broadly interpreted to include anything of value, including stock, stock options, and the compensation derived through ownership interests.

Recognizing that the federal Anti-Kickback Statute is broad and may prohibit many innocuous or beneficial arrangements within the healthcare industry, the United States Department of Health and Human Services issued regulations in July 1991, which the Department has referred to as “safe harbors.” These safe harbor regulations set forth certain provisions which, if met in form and substance, will assure medical device manufacturers, healthcare providers and other parties that they will not be prosecuted under the federal Anti-Kickback Statute. Additional safe harbor provisions providing similar protections have been published

intermittently since 1991. Although there are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, the exceptions and safe harbors are drawn narrowly. Our arrangements with physicians, hospitals and other persons or entities who are in a position to refer may not fully meet the stringent criteria specified in the various safe harbors. Practices that involve remuneration that may be alleged to be intended to induce prescribing, purchases or recommendations may be subject to scrutiny if they do not qualify for an exception or safe harbor. Failure to meet all of the requirements of a particular applicable statutory exception or regulatory safe harbor does not make the conduct per se illegal under the federal Anti-Kickback Statute. Instead, the legality of the arrangement will be evaluated on a case-by-case basis based on a cumulative review of all its facts and circumstances. Several courts have interpreted the statute's intent requirement to mean that if any one purpose of an arrangement involving remuneration is to induce referrals of federal healthcare covered business, the federal Anti-Kickback Statute has been violated. In addition, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. Moreover, a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act (described below).

Violations of the federal Anti-Kickback Statute may result in civil monetary penalties up to $74,792 (in 2017) for each violation, plus up to three times the remuneration involved. Civil penalties for such conduct can further be assessed under the federal False Claims Act. Violations can also result in criminal penalties, including criminal fines of up to $100,000 and imprisonment of up to 10 years. Similarly, violations can result in exclusion from participation in government healthcare programs, including Medicare and Medicaid. Liability under the federal Anti-Kickback Statute may also arise because of the intentions or actions of the parties with whom we do business. While we are not aware of any such intentions or actions, we have only limited knowledge regarding the intentions or actions underlying those arrangements. Conduct and business arrangements that do not fully satisfy one of these safe harbor provisions may result in increased scrutiny by government enforcement authorities. The majority of states also have anti-kickback laws which establish similar prohibitions, and in some cases, may apply more broadly to items or services covered by any third-party payor, including commercial insurers and self-pay patients.

The federal civil False Claims Act prohibits, among other things, any person or entity from knowingly presenting, or causing to be presented, a false or fraudulent claim for payment or approval to the federal government or knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim to the federal government. A claim includes "any request or demand" for money or property presented to the U.S. government. The federal civil False Claims Act also applies to false submissions that cause the government to be paid less than the amount to which it is entitled, such as a rebate. Intent to deceive is not required to establish liability under the civil federal civil False Claims Act.

In addition, private parties may initiate "qui tam" whistleblower lawsuits against any person or entity under the federal civil False Claims Act in the name of the government and share in the proceeds of the lawsuit. Penalties for federal civil False Claim Act violations include fines for each false claim, plus up to three times the amount of damages sustained by the federal government and, most critically, may provide the basis for exclusion from the federally funded healthcare program. On May 20, 2009, the Fraud Enforcement Recovery Act of 2009, or FERA, was enacted, which modifies and clarifies certain provisions of the federal civil False Claims Act. In part, the FERA amends the federal civil False Claims Act such that penalties may now apply to any person, including an organization that does not contract directly with the government, who knowingly makes, uses or causes to be made or used, a false record or statement material to a false or fraudulent claim paid in part by the federal government. The government may further prosecute conduct constituting a false claim under the federal criminal False Claims Act. The criminal False Claims Act prohibits the making or presenting of a claim to the government knowing such claim to be false, fictitious or fraudulent and, unlike the federal civil False Claims Act, requires proof of intent to submit a false claim. When an entity is determined to have violated the federal civil False Claims Act, the government may impose civil fines and penalties ranging from $11,181 to $22,363 for

each false claim, plus treble damages, and exclude the entity from participation in Medicare, Medicaid and other federal healthcare programs.

The Civil Monetary Penalty Act of 1981 imposes penalties against any person or entity that, among other things, is determined to have presented or caused to be presented a claim to a federal healthcare program that the person knows or should know is for an item or service that was not provided as claimed or is false or fraudulent, or offering or transferring remuneration to a federal healthcare beneficiary that a person knows or should know is likely to influence the beneficiary's decision to order or receive items or services reimbursable by the government from a particular provider or supplier.

The Health Insurance Portability and Accountability Act, or HIPAA, also created additional federal criminal statutes that prohibit among other actions, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

Many foreign countries have similar laws relating to healthcare fraud and abuse. Foreign laws and regulations may vary greatly from country to country. For example, the advertising and promotion of our r-SNM System and any future product candidates is subject to EU Directives concerning misleading and comparative advertising and unfair commercial practices, as well as other EEA Member State legislation governing the advertising and promotion of medical devices. These laws may limit or restrict the advertising and promotion of our r-SNM System and any future product candidates to the general public and may impose limitations on our promotional activities with healthcare professionals. Also, many U.S. states have similar fraud and abuse statutes or regulations that may be broader in scope and may apply regardless of payor, in addition to items and services reimbursed under Medicaid and other state programs.

Additionally, there has been a recent trend of increased foreign, federal, and state regulation of payments and transfers of value provided to healthcare professionals or entities. The federal Physician Payments Sunshine Act imposes annual reporting requirements on certain drug, biologics, medical supplies and device manufacturers for which payment is available under Medicare, Medicaid or Children's Health Insurance Program for payments and other transfers of value provided by them, directly or indirectly, to physicians (including physician family members) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. A manufacturer's failure to submit timely, accurately and completely the required information for all payments, transfers of value or ownership or investment interests may result in civil monetary penalties of $11,052 per failure up to an aggregate of $165,786 per year (or up to an aggregate of $1.105 million per year for "knowing failures"). Manufacturers must submit reports by the 90th day of each calendar year. Certain foreign countries and U.S. states also mandate implementation of commercial compliance programs, impose restrictions on device manufacturer marketing practices and require tracking and reporting of gifts, compensation and other remuneration to healthcare professionals and entities.

FCC Regulation

Because our r-SNM System includes a wireless radio frequency transmitter and receiver, it is subject to equipment authorization requirements in the United States. The FCC requires advance clearance of all radio frequency devices before they can be imported into, sold or marketed in the United States. These clearances ensure that the proposed products comply with FCC radio frequency emission and power level standards and will not cause interference.

We intend to submit an equipment certification application for non-experimental use to the FCC for our r-SNM System. Any modifications to our r-SNM System after FCC approval, if obtained, may require new or

further FCC approval before we are permitted to import, market and sell a modified system, and it could take several months to obtain any necessary FCC approval. FCC approval has no impact on whether we will receive PMA approval.

Data Privacy and Security Laws

We are also subject to various federal, state and foreign laws that protect the confidentiality of certain patient health information, including patient medical records, and restrict the use and disclosure of patient health information by healthcare providers, such as HIPAA, as amended by Health Information Technology for Economic and Clinical Health Act, or HITECH, in the United States.

HIPAA established uniform standards governing the conduct of certain electronic healthcare transactions and requires certain entities, called covered entities, to comply with standards that include the privacy and security of protected health information, or PHI. HIPAA also requires business associates, such as independent contractors or agents of covered entities that have access to PHI in connection with providing a service to or on behalf of a covered entity, of covered entities to enter into business associate agreements with the covered entity and to safeguard the covered entity's PHI against improper use and disclosure.

The HIPAA privacy regulations cover the use and disclosure of protected health information by covered entities as well as business associates, which are defined to include subcontractors that create, receive, maintain, or transmit protected health information on behalf of a business associate. They also set forth certain rights that an individual has with respect to his or her protected health information maintained by a covered entity, including the right to access or amend certain records containing protected health information, or to request restrictions on the use or disclosure of protected health information. The security regulations establish requirements for safeguarding the confidentiality, integrity, and availability of protected health information that is electronically transmitted or electronically stored. HITECH, among other things, established certain health information security breach notification requirements. A covered entity must notify any individual whose protected health information is breached according to the specifications set forth in the breach notification rule. The HIPAA privacy and security regulations establish a uniform federal "floor" and do not supersede state laws that are more stringent or provide individuals with greater rights with respect to the privacy or security of, and access to, their records containing protected health information or insofar as such state laws apply to personal information that is broader in scope than protected health information as defined under HIPAA.

HIPAA requires the notification of patients, and other compliance actions, in the event of a breach of unsecured protected health information, or PHI. If notification to patients of a breach is required, such notification must be provided without unreasonable delay and in no event later than 60 calendar days after discovery of the breach. In addition, if the PHI of 500 or more individuals is improperly used or disclosed, we would be required to report the improper use or disclosure to the U.S. Department of Health and Human Services, or HHS, which would post the violation on its website, and to the media. Failure to comply with the HIPAA privacy and security standards can result in civil monetary penalties up to $55,910 per violation, not to exceed $1.68 million per calendar year for non-compliance of an identical provision, and, in certain circumstances, criminal penalties with fines up to $250,000 per violation and/or imprisonment.

HIPAA authorizes state attorneys general to file suit on behalf of their residents for violations. Courts are able to award damages, costs and attorneys' fees related to violations of HIPAA in such cases. While HIPAA does not create a private right of action allowing individuals to file suit against us in civil court for violations of HIPAA, its standards have been used as the basis for duty of care cases in state civil suits such as those for negligence or recklessness in the misuse or breach of PHI. In addition, HIPAA mandates that the Secretary of HHS conduct periodic compliance audits of HIPAA covered entities, such as us, and their business associates for compliance with the HIPAA privacy and security standards. It also tasks HHS with establishing a methodology whereby harmed individuals who were the victims of breaches of unsecured PHI may receive a percentage of the civil monetary penalty paid by the violator.

In the EU, we may be subject to laws relating to our collection, control, processing and other use of personal data (i.e. data relating to an identifiable living individual). We process personal data in relation to our operations. We process data of both our employees and our customers, including health and medical information. The data privacy regime in the EU includes the General Data Protection Regulation ((EU) 2016/679), or GDPR, regarding the processing of personal data and the free movement of such data, the E-Privacy Directive 2002/58/EC and national laws supporting aspects of the GDPR and implementing the E-Privacy Directive. Each EU Member State has transposed the requirements laid down by the E-Privacy Directive into its own national data privacy regime, while the GDPR permits EU Member States to implement local legislation to supplement the GDPR, and therefore the laws may differ by jurisdiction, sometimes significantly. We need to ensure compliance with the rules in each jurisdiction where we are established or are otherwise subject to local privacy laws.

The GDPR became applicable on May 25, 2018, replacing the previous data protection laws issued by each EU member state based on the Directive 95/46/EC. Unlike the Directive (which needed to be transposed at national level), the GDPR text is directly applicable in each EU Member State, resulting in a more uniform application of data privacy laws across the EU. Like the previous Directive, the GDPR requires that personal data may only be collected for specified, explicit and legitimate purposes based on legal bases for processing set out in the GDPR and local laws, and may only be processed in a manner consistent with those purposes. Personal data must also be adequate, relevant, not excessive in relation to the purposes for which it is collected, be secure, not be transferred outside of the EEA unless certain steps are taken to ensure an adequate level of protection and must not be kept for longer than necessary for the purposes of collection. To the extent that we process, control or otherwise use special categories of personal data relating to living individuals (for example, patients' health or medical information), more stringent rules apply, limiting the circumstances and the manner in which we are legally permitted to process that data and transfer that data outside of the EEA. In particular, in order to process such data, explicit consent to the processing (including any transfer) is usually required from the data subject (being the person to whom the personal data relates). The GDPR additionally imposes onerous accountability obligations requiring data controllers and processors to maintain a record of their data processing and policies. It requires data controllers to be transparent and disclose to data subjects (in a concise, intelligible and easily accessible form) how their personal information is to be used, imposes limitations on retention of information, increases requirements pertaining to pseudonymized (i.e., key-coded) data, introduces mandatory data breach notification requirements and sets higher standards for data controllers to demonstrate that they have obtained valid consent for certain data processing activities. Fines for non-compliance with the GDPR are significant—€20,000,000 or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher. The GDPR provides that EU member states may introduce further conditions, including limitations, to the processing of genetic, biometric or health data, which could limit our ability to collect, use and share personal data, or could cause our compliance costs to increase, ultimately having an adverse impact on our business.

We are subject to the supervision of local data protection authorities in those jurisdictions where we are established or otherwise subject to applicable law.

We depend on a number of third parties in relation to our provision of our services, a number of which process personal data on our behalf. With each such provider we enter into contractual arrangements to ensure that they only process personal data according to our instructions, and that they have sufficient technical and organizational security measures in place, and that they comply with the other contractual requirements for third party data processors set out in the GDPR. Where we transfer personal data outside the EEA, we do so in compliance with the relevant data export requirements. We take our data protection obligations seriously, as any improper disclosure, particularly with regard to our customers' sensitive personal data, could negatively impact our business and/or our reputation.

Healthcare Reform

The United States and some foreign jurisdictions are considering or have enacted a number of legislative and regulatory proposals to change the healthcare system in ways that could affect our ability to sell our r-SNM

System or any future product candidates profitably. Among policy makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality or expanding access. Current and future legislative proposals to further reform healthcare or reduce healthcare costs may limit coverage of or lower reimbursement for the procedures associated with the use of our r-SNM System or future product candidates. The cost containment measures that payors and providers are instituting and the effect of any healthcare reform initiative implemented in the future could impact our revenue from the sale of our r-SNM System or future product candidates.

The implementation of the Affordable Care Act in the United States, for example, has changed healthcare financing and delivery by both governmental and private insurers substantially, and affected medical device manufacturers significantly. The Affordable Care Act imposed, among other things, a 2.3% federal excise tax, with limited exceptions, on any entity that manufactures or imports Class I, II and III medical devices offered for sale in the United States that began on January 1, 2013. Through a series of legislative amendments, the tax was suspended for 2016 through 2019. Absent further legislative action, the device excise tax will be reinstated on medical device sales starting January 1, 2020. The Affordable Care Act also provided incentives to programs that increase the federal government's comparative effectiveness research, and implemented payment system reforms including a national pilot program on payment bundling to encourage hospitals, physicians and other providers to improve the coordination, quality and efficiency of certain healthcare services through bundled payment models. Additionally, the Affordable Care Act has expanded eligibility criteria for Medicaid programs and created a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research. We do not yet know the full impact that the Affordable Care Act will have on our business. There have been judicial and Congressional challenges to certain aspects of the Affordable Care Act, and we expect additional challenges and amendments in the future. Most recently, the Tax Cuts and Jobs Acts was enacted, which, among other things, removes penalties for not complying with the individual mandate to carry health insurance.

In addition, other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. For example, the Budget Control Act of 2011, among other things, included reductions to Medicare payments to providers of two percent per fiscal year, which went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain 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 providers, including hospitals, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

We expect additional state and federal healthcare reform measures to be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our r-SNM System or future product candidates or additional pricing pressure.

Anti-Bribery and Corruption Laws

Our operations in the United States are subject to the Foreign Corrupt Practices Act, or FCPA. We are required to comply with the FCPA, which generally prohibits covered entities and their intermediaries from engaging in bribery or making other prohibited payments to foreign officials for the purpose of obtaining or retaining business or other benefits. In addition, the FCPA imposes accounting standards and requirements on publicly traded U.S. corporations and their foreign affiliates, which are intended to prevent the diversion of corporate funds to the payment of bribes and other improper payments, and to prevent the establishment of "off books" slush funds from which such improper payments can be made. We also are subject to similar anticorruption legislation implemented in Europe under the Organization for Economic Co-operation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Employees

As of September 30, 2018, we had 72 employees. None of our employees is subject to a collective bargaining agreement or represented by a trade or labor union. We consider our relationship with our employees to be good.

Facilities

Our principal office is located at 26 Technology Drive, Irvine, California 92618, where we lease approximately 25,548 square feet of office space. We lease this space under a lease that terminates on August 13, 2025. In addition, we maintain offices at 7575 Irvine Center Drive, Suite 200, Irvine, California 92618, where we lease approximately 12,215 square feet of office space and where we intend to conduct the training of our sales team. We lease this space under a lease that terminates on October 31, 2019. We intend to add new facilities as we expand and we believe that suitable additional or substitute space will be available as needed to accommodate any such expansion of our operations.

Legal Proceedings

We are not currently subject to any material legal proceedings.

MANAGEMENT

Executive Officers, Directors, and Director Nominee

The following table sets forth certain information regarding our current executive officers, directors, and director nominees including their ages as of the date of this prospectus:

Name	Age	Position(s)
Executive Officers and Director		
Raymond W. Cohen	59	Chief Executive Officer, Director
Danny L. Dearen	55	President and Chief Financial Officer
Karen Noblett, M.D.	55	Chief Medical Officer
Prabodh Mathur	58	Chief Product Development Officer
Guangqiang (Jay) Jiang, Ph.D.	45	Chief Technology Officer
Alfred Ford	48	Chief Commercial Officer
John Woock, Ph.D.	35	Chief Marketing Officer
Michael V. Williamson	48	Senior Vice President, General Counsel
Rinda Sama	39	Chief Operating Officer
Non-Employee Directors and Director Nominee		
Raphaël Wisniewski	48	Chair of the Board of Directors
Erik Amble, Ph.D.	66	Director
Shahzad Malik, M.B. BChir	51	Director
John Petrovich	62	Director
Geoff Pardo	47	Director
Juliet Tammenoms Bakker	56	Director
Robert E. McNamara	61	Director Nominee

Executive Officers and Director

Raymond W. Cohen has served as our Chief Executive Officer and as a member of our board of directors since October 2013. Mr. Cohen has extensive international medical device experience, holding several Chair and Chief Executive Officer positions on the boards of both publicly listed and private life sciences companies in the United States and Europe. Since June 2013, Mr. Cohen has served as a member of the board of directors, Chair of the compensation committee, member of the audit committee and member of the nominating and corporate governance committee of Spectrum Pharmaceuticals, Inc., a developer and marketer of oncology and hematology drugs. From April 2016 to June 2017, Mr. Cohen served as a member of the board of directors and a member of the compensation and audit committees of Zurich-based LifeWatch AG, a manufacturer and marketer of ambulatory electrocardiogram services, which was acquired by Biotelemetry Inc. in July 2017. From June 2013 to December 2017, Mr. Cohen served as Chair of the board of directors of Lombard Medical, Inc., a manufacturer and marketer of abdominal aortic aneurysm stent graphs. Since May 2006, Mr. Cohen has served as a member of the board of directors, Chair of the audit committee, compensation committee and nominating committee, and since November 2013 as Chair of the board of directors, of BioLife Solutions, Inc., a developer, manufacturer and supplier of proprietary clinical grade cell and tissue hypothermic storage and cryopreservation freeze media for cells and tissues. From August 2010 to November 2012, Mr. Cohen served as Chief Executive Officer and as a member of the board of directors of Vessix Vascular, Inc., or Vessix, a developer of a novel renal denervation system used to treat uncontrolled hypertension, which was acquired by Boston Scientific Corporation. From 1997 to 2006, Mr. Cohen served as Chair and Chief Executive Officer of Cardiac Science, Inc., or Cardiac, a manufacturer of external automatic defibrillators. From 1982 to 1997, Mr. Cohen served in various sales and marketing positions for a number of medical device companies. In 2008, Mr. Cohen was named by AeA as the Private Company Life Science Chief Executive Officer of the Year. Mr. Cohen was named Entrepreneur of the Year in 2002 by the Orange County Business Journal and was a finalist for Ernst & Young’s Entrepreneur of the Year in the medical company category in 2004. Mr. Cohen holds a B.S. in Business

Management from the State University of New York at Binghamton. We believe Mr. Cohen's extensive experience in the medical device industry qualifies him to serve on our board of directors.

Danny L. Dearen has served as our President since August 2018 and our Chief Financial Officer since October 2013. From October 2013 to August 2018, Mr. Dearen served as our Chief Operating Officer. From July 2009 to October 2013, Mr. Dearen served as Chief Operating Officer and Chief Financial Officer of Vessix. From December 2004 to November 2008, Mr. Dearen served as Chief Financial Officer of Miraval Holding and from December 2000 to November 2004, he served as the Chief Financial Officer of Q3DM, which was acquired by Beckman Coulter. From October 1997 to October 2000, Mr. Dearen served as Chief Financial Officer of Fairbanks Systems Group. From July 1996 to October 1997, he served as Chief Financial Officer of ESI Software and from January 1995 to June 1996 Mr. Dearen served as Chief Financial Officer of Medication Delivery Devices, which was acquired by Baxter Healthcare. From June 1989 to December 1994, Mr. Dearen served as a Principal at Ventana Growth Funds. From July 1985 to July 1987, Mr. Dearen served as a certified public accountant in the healthcare group at Ernst & Young LLP. Mr. Dearen holds a B.B.A. in Accounting from Southern Methodist University and a Masters of Business Administration from Boston College.

Karen Noblett, M.D. has served as our Chief Medical Officer since October 2017. From January 2014 to September 2017, Dr. Noblett served as our physician advisor. From August 2014 to September 2017, Dr. Noblett served as Professor and Department Chair, OB/GYN, at the University of California, Riverside. From October 1998 to July 2014, Dr. Noblett served as Professor and Division Director at the University of California, Irvine. From July 1995 to June 1998, Dr. Noblett completed her fellowship in Female Pelvic Medicine and Reconstructive Surgery and from July 1991 to June 1995, she completed her residency in Obsterics and Gynecology at the University of California, Irvine. Dr. Noblett holds a B.A. in Biology from California State University, Fresno, an M.D. from the University of California, Irvine, and an M.S. in Research from the University of California, San Diego.

Prabodh Mathur, has served as our Chief Product Development Officer since May 2014. Mr. Mathur has extensive experience in developing implantable, interventional and external medical devices. Prior to joining our company, Mr. Mathur worked in research and development for Boston Scientific Inc. from December 2012 to May 2014. Prior to its acquisition by Boston Scientific Inc., Mr. Mathur served as the Chief Product Development Officer for Vessix from September 2010 to December 2012. Mr. Mathur holds a B.S. in Mechanical Engineering from the Indian Institute of Technology, Kanpur, India, and an M.S. in Mechanical Engineering from the Missouri University of Science and Technology.

Guangqiang (Jay) Jiang, Ph.D. has served as our Chief Technology Officer since October 2013. From October 2000 to October 2013, Mr. Jiang served as Vice President, Director of Research and Development, Director of Engineering and Engineering Manager of AMF. Mr. Jiang holds a B.S. in Mechanical Engineering and an M.E. in Welding Engineering from Tsinghua University, an M.S. in Materials Science and Engineering from Michigan Technological University and a Ph.D. in Biomedical Engineering from the University of Southern California, Los Angeles.

Alfred Ford has served as our Chief Commercial Officer since November 2017. From January 1997 to June 2017, Mr. Ford served as President and Chief Commercial Officer, General Manager, Vice President, Global Sales & Marketing, Vice President, Sales, Distribution Director, Regional Sales Manager and Territory Manager of Cardiac Science Corporation, the predecessor corporation of Cardiac. Mr. Ford holds a B.S. in Marketing and an M.S. in International Marketing from Saint Joseph's University.

John Woock, Ph.D. has served as our Chief Marketing Officer since June 2018. Prior to that time, Mr. Woock served as our Vice President, Global Marketing and Clinical Operations from January 2017 to May 2018 and our Vice President, Product Marketing from June 2014 to December 2016. Before working with our company, he was a postdoctoral fellow at the Stanford Biodesign Program at Stanford University from August 2013 to June 2014. From February 2010 to June 2013, Mr. Woock served as an engagement manager at

McKinsey & Company. From May 2003 to August 2003, Mr. Woock was a research fellow at Kentucky Spinal Cord Injury Research Center. Mr. Woock holds a B.S. in Biomedical Engineering from Washington University in St. Louis and a Ph.D. in biomedical engineering from Duke University.

Michael V. Williamson has served as our Senior Vice President and General Counsel since October 2013. Prior to joining our company, Mr. Williamson served as the General and Intellectual Property Counsel of Vessix from August 2011 to November 2012. Mr. Williamson holds a B.S. in Mechanical Engineering from California Polytechnic University, San Luis Obispo, and a J.D. from the John F. Kennedy Law School.

Rinda Sama has served as our Chief Operating Officer since August 2018. From May 2014 to August 2018, Mr. Sama served as our Vice President, Operations and Quality. From June 2011 to May 2014, Mr. Sama served as Director, Operations and Quality of Vessix. Mr. Sama holds a B.S. in Biomedical Engineering from Karnatak University Dharwad, an M.S. in Biomedical Engineering from the University of Southern California and an M.B.A from the University of California, Irvine.

Non-Employee Directors and Director Nominee

Raphaël Wisniewski has served as a member of our board of directors since March 2014 and the Chair of our compensation committee since July 2017 and as a member of our nominating and corporate governance committee since October 2018. Since 2001, Mr. Wisniewski has worked for Andera Partners, previously known as Edmond de Rothschild Investment Partners, a venture capital firm with extensive experience in the life science industry. Since 2006, Mr. Wisniewski has served as a Partner of Andera Partners. From 1999 to 2001 and from 1996 to 1999, Mr. Wisniewski served in the healthcare groups of the investment banking divisions of Goldman Sachs and Solomon Smith Barney, respectively, where he focused on investments in the pharmaceuticals, medical devices, biotechnology and services industries. Mr. Wisniewski holds a B.A. in History from Paris Sorbonne University, an M.S. in Business from HEC Paris and an M.S. Economics from IEP Paris. We believe Mr. Wisniewski's extensive experience in the life science industry qualifies him to serve on our board of directors.

Erik Amble, Ph.D. has served as a member of our board of directors since March 2014 and a member of our audit committee from July 2017 to October 2018. Since October 2018, Mr. Amble has served as a member of our nominating and corporate governance committee. Since July 2001, Mr. Amble has served as Chair of NeoMed Management (Jersey) Limited, the manager of NeoMed Innovation V L.P., a venture capital firm focused on supporting entrepreneurs and businesses in the healthcare industry. Mr. Amble holds a Ph.D. in Organic Chemistry from the University of Oslo and an M.Sc. in Management from the Graduate School of Business, Stanford University. We believe Mr. Amble's extensive experience in the healthcare industry qualifies him to serve on our board of directors.

Shahzad Malik, M.B. BChir has served as a member of our board of directors since December 2015 and a member of our compensation committee since July 2017. Since April 1999, Dr. Malik has served as a General Partner of Advent Life Sciences LLP. Since May 2017, Dr. Malik has served as a member of the board of directors and compensation committee of Iterum Therapeutics plc, a pharmaceutical company that focuses on developing anti-infectives for multi-drug resistant pathogens. Since February 2011, Dr. Malik has served as a member of the board of directors and compensation committee of Versartis, Inc., an endocrine-focused biopharmaceutical company. From March 2014 to June 2017, Dr. Malik served as a member of the board of directors and audit committee of Agenus Inc., a biotechnology company focused on immunotherapy. Dr. Malik holds an M.A. in Pre-Clinical Medicine from Oxford University and an M.B. BChir in Clinical Medicine from Cambridge University. We believe Dr. Malik's extensive experience in the pharmaceutical and biotechnology industry qualifies him to serve on our board of directors.

John Petrovich has served as a member of our board of directors since August 2013 and a member of our audit committee since July 2017. Since March 2010, Mr. Petrovich has served as the General Counsel, since

March 2011, as the Senior Vice President of Business Development, and since November 2017, as the President and Chief Executive Officer, of AMF. Since July 2017, Mr. Petrovich has served as the Chair of the board of directors of Medallion Therapeutics, Inc., a wholly owned subsidiary of AMF and a developer of a novel implantable drug delivery infusion pump. From November 2015 to July 2017, he served as the Chief Executive Officer and a member of the board of directors of Medallion Therapeutics, Inc. Mr. Petrovich holds a B.S. in Business Administration (Finance) from the University of Southern California and a J.D. from the University of California, Los Angeles, School of Law. We believe Mr. Petrovich's extensive experience in the medical research industry and the medical device industry qualifies him to serve on our board of directors.

Geoff Pardo has served as a member of our board of directors since July 2017 and as a member of our audit committee since October 2018. Mr. Pardo has served as a partner at Gilde Healthcare since 2011. Previously, he was a partner at Spray Venture Partners from 2004 to 2011. He also served as President and Chief Executive Officer of Facet Solutions, a spinal implant company focused on treating lumbar spinal stenosis, from 2007 until the company was sold to Globus Medical in 2011. He has also worked at Cardinal Partners as an Associate leading their investing activity in the medical device sector from 2001 to 2004. Mr. Pardo received a B.A. from Brown University and an M.B.A. from The Wharton School of Business. We believe Mr. Pardo's experience leading and managing a medical technology company, as well as his healthcare industry knowledge and his experience serving on the board of directors of other companies, qualifies him to serve on our board of directors.

Juliet Tammenoms Bakker has served as a member of our board of directors since March 2018 and as a member of our compensation committee and the Chair of our nominating and corporate governance committee since October 2018. Since January 2007, Ms. Tammenoms Bakker has served as a Managing Director of Longitude Capital Management Co., LLC, a healthcare venture capital firm. Ms. Tammenoms Bakker holds a B.Sc. from the College of Agriculture and Life Sciences at Cornell University and a M.P.A from the John F. Kennedy School of Government at Harvard University. We believe Ms. Tammenoms Bakker's extensive business and leadership experience qualifies her to serve on our board of directors.

Robert E. McNamara will serve as a member of our board of directors and as Chair of our audit committee upon completion of this offering. Since February 2018, Mr. McNamara has served as a member of the board of directors and audit committee of Xtant Medical Holdings, Inc., a publicly traded manufacturer and marketer of regenerative medical products and devices. Mr. McNamara previously worked at LDR Holdings/Spine, Inc., serving as its Executive Vice President from January 2013 to July 2016, and serving as its Chief Financial Officer from April 2012 to July 2016. From September 2008 to April 2012, Mr. McNamara served as a financial consultant, working primarily in the medical device and biotechnology industries. From 2006 to 2009, Mr. McNamara served as a member of the board of directors and audit committee of Northstar Neurosciences, a publicly traded medical device company. From December 2004 to September 2008, Mr. McNamara was the Senior Vice President and Chief Financial Officer of Accuray, Inc., a publicly traded medical device manufacturer. In addition, Mr. McNamara has served as the Senior Vice President and Chief Financial Officer of Somnus Medical Technologies and the Chief Financial Officer for Target Therapeutics, Inc., each publicly traded companies. Mr. McNamara is the former Mayor of Menlo Park, California. Mr. McNamara holds a B.S. in Accounting from the University of San Francisco and an M.B.A. in Finance from The Wharton School of Business. We believe that Mr. McNamara's extensive experience as an executive and director in the medical device industry and his prior service as a senior-level executive in medical device companies qualifies him to serve on our board of directors.

Family Relationships

There are no family relationships among any of our directors or executive officers.

Board Composition and Election of Directors

Our business and affairs are organized under the direction of our board of directors, which currently consists of seven members and is expected to be increased to eight members upon completion of this offering. The primary responsibilities of our board of directors are to provide oversight, strategic guidance, counseling and direction to our management. Our board of directors meets on a regular basis and additionally as required.

Certain members of our board of directors were elected under the provisions of our Voting Agreement, which is defined below. Under the terms of our Voting Agreement, the stockholders who are party to the voting agreement have agreed to vote their respective shares to elect: (i) one director designated by BioDiscovery 4 FCPR, currently Raphaël Wisniewski, (ii) one director designated by NeoMed Innovation V, L.P., currently Erik Amble, Ph.D., (iii) one director designated by AMF, currently John Petrovich, (iv) one director designated by Advent Life Sciences LLP, currently Shahzad Malik, M.B. BChir, (v) one director designated by Coöperatieve Gilde Healthcare IV U.A., currently Geoff Pardo, (vi) one director designated by Longitude Venture Partners III, L.P., currently Juliet Tammenoms Bakker, and (vii) one director elected by at least two-thirds of the outstanding shares of our preferred stock and a majority of the outstanding shares of our common stock, each voting as a separate class, who must be our Chief Executive Officer, currently Raymond W. Cohen. Pursuant to the Voting Agreement, all shares to be voted as referenced above assumes the exchange of all exchange shares pursuant to the Share Exchange Agreement, which is defined below.

Following this offering, no stockholder will have any special rights regarding the election or designation of members of our board of directors. Our current directors will continue to serve as directors until their resignation, their removal, or a successor is duly elected.

Director Independence

Upon the completion of this offering, we anticipate that our common stock will be listed on the Nasdaq Global Market. Under the Nasdaq Marketplace Rules, independent directors must compose a majority of a listed company's board of directors within 12 months after its initial public offering. In addition, the Nasdaq Marketplace Rules require that, subject to specified exceptions and phase in periods following its initial public offering, each member of a listed company's audit, compensation, nominating and governance committees be independent. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act, or Rule 10A-3. Under the Nasdaq Marketplace Rules, a director will qualify as an "independent director" if, among other criteria in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

To be considered to be independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of our audit committee, our board of directors or any other board committee: (i) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries, or (ii) be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors has undertaken a review of the independence of each director and considered whether each director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. As a result of this review, our board of directors determined that all directors, other than Mr. Cohen, are "independent directors" as defined under the Nasdaq Marketplace Rules. In making these determinations, our board of directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities and relationships as they may relate to us and our management, including the beneficial ownership of our capital stock by each non-employee director and the transactions involving them described in the section entitled "Certain Relationships and Related Party Transactions." In addition to determining whether each director satisfies the

director independence requirements set forth in the Nasdaq Marketplace Rules, in the case of members of our audit committee and our compensation committee, our board of directors has also made an affirmative determination that such members also satisfy separate independence requirements and current standards imposed by the SEC Rule 10A-3, and the Nasdaq Marketplace Rules for audit committee members and by the SEC, the Nasdaq Marketplace Rules, and the Internal Revenue Service, or IRS, for compensation committee members.

Board Leadership Structure

As a general policy, we believe that separation of the positions of Chair of our board of directors and our Chief Executive Officer reinforces the independence of our board of directors from management, creates an environment that encourages objective oversight of management's performance and enhances the effectiveness of our board of directors as a whole. As such, Mr. Cohen, our Chief Executive Officer, does not presently serve, and will not serve, as our Chair of the board of directors following this offering. However, we will reevaluate this policy from time to time and may in the future elect to combine the roles of Chief Executive Officer and Chair of our board if our board of directors believes it is in the best interest of our stockholders.

Role of the Board in Risk Oversight

One of the key functions of our board of directors is overseeing our risk management process. Our board of directors does not have a standing risk management committee, but rather administers this oversight function directly through our board of directors as a whole, as well as through various standing committees of our board of directors that address risks inherent in their respective areas of oversight. In particular, our board of directors is responsible for monitoring and assessing strategic risk exposure and our audit committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. Our audit committee, compensation committee and nominating and corporate governance committee support our board of directors in discharging its oversight duties and address risks inherent in their respective areas. We believe this division of responsibilities is an effective approach for addressing the risks we face and that our board leadership structure supports this approach. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, our entire board of directors is regularly informed through committee reports about such risks.

Board Committees

Our board of directors has established an audit committee, a compensation committee, and a nominating and corporate governance committee. Each committee operates under a written charter that has been approved by our board of directors. Prior to the completion of this offering, copies of each committee's charter will be posted on the Investor Relations section of our website, which is located at www.axonicsmodulation.com. The information contained on or that can be accessed through our website is not incorporated by reference into this prospectus, and you should not consider any information contained on, or that can be accessed through, our website as part of this prospectus or in deciding whether to purchase our common stock. Each committee has the composition and responsibilities described below. Our board of directors may from time to time establish other committees.

Audit Committee

Our audit committee consists of Geoff Pardo and John Petrovich. Robert E. McNamara will be appointed Chair of our audit committee upon consummation of this offering. Our board of directors has determined that each of the members of our audit committee satisfies the Nasdaq Marketplace Rules, Rule 10A-3, and SEC independence requirements. The functions of this committee include, among other things:

- evaluating the performance, independence and qualifications of our independent registered public accounting firm and determining whether to retain our existing independent registered public accounting firm or engage a new independent registered public accounting firm;

- reviewing and approving the engagement of our independent registered public accounting firm to perform audit services and any permissible non-audit services;

- reviewing our annual and quarterly financial statements and reports, including the disclosures contained under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations," and discussing the statements and reports with our independent registered public accounting firm and management;

- reviewing with our independent registered public accounting firm and management significant issues that arise regarding accounting principles and financial statement presentation and matters concerning the scope, adequacy and effectiveness of our financial controls;

- reviewing and approving related party transactions;

- reviewing our major financial risk exposures, including the guidelines and policies to govern the process by which risk assessment and risk management is implemented; and

- reviewing and evaluating the performance of our audit committee, including compliance of the committee with its charter.

Our board of directors has determined that Mr. McNamara qualifies as an audit committee financial expert within the meaning of SEC regulations and meets the financial sophistication requirements of the Nasdaq Marketplace Rules. In making this determination, our board has considered Mr. McNamara's extensive financial experience and business background. Both our independent registered public accounting firm and management periodically meet privately with our audit committee.

Compensation Committee

Our compensation committee consists of Raphaël Wisniewski, who is the Chair of the committee, Shahzad Malik, M.B. BChir, and Juliet Tammenoms Bakker. Our board of directors has determined that each of the members of our compensation committee satisfies the Nasdaq Marketplace Rules independence requirements and is a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act. The functions of this committee include, among other things:

- reviewing, and making recommendations to our full board of directors annually regarding, the corporate goals and objectives applicable to the compensation of our chief executive officer, evaluate at least annually our chief executive officer's performance in light of those goals and objectives, and recommend to our board of directors our chief executive officer's compensation level based on our compensation committee's evaluation, including discretionary bonuses and cash incentive awards;

- reviewing, modifying and approving (or if it deems appropriate, making recommendations to our full board of directors regarding), our overall compensation strategy and policies;

- reviewing, and making recommendations to our full board of directors annually regarding, the compensation, discretionary bonus, cash incentive awards, the performance goals and objectives relevant to the compensation, and other terms of employment of our executive officers;

- reviewing, and approving (or if it deems appropriate, making recommendations to our full board of directors regarding), the equity incentive plans, compensation plans and similar programs advisable for us, as well as modifying, amending or terminating existing plans and programs;

- reviewing, and making recommendations to our full board of directors regarding, the terms of any employment agreements, severance arrangements, change in control protections and any other compensatory arrangements for our executive officers;
- reviewing, and making recommendations to our full board of directors regarding, director compensation; and
- preparing the compensation report that the SEC requires in our annual proxy statement.

Nominating and Corporate Governance Committee

Our nominating and corporate government committee consists of Juliet Tammenoms Bakker, who is the Chair of the committee, Erik Amble, Ph.D., and Raphaël Wisniewski. Our board of directors has determined that each of the members of our nominating and corporate governance committee satisfies the Nasdaq Marketplace Rules independence requirements. The functions of this committee include, among other things:

- identifying, reviewing, evaluating, and recommending candidates to serve on our board of directors and committees of our board of directors consistent with criteria approved by our board of directors;
- evaluating director performance on our board of directors and committees of our board of directors and determining whether continued service on our board and such committees is appropriate;
- evaluating, nominating, and recommending individuals for membership on our board of directors; and
- evaluating nominations by stockholders of candidates for election to our board of directors.

Compensation Committee Interlocks and Insider Participation

During our fiscal year ended December 31, 2017, our compensation committee was comprised of Messrs. Wisniewski and Pardo, and Dr. Malik. As of October 2018, our compensation committee consists of Messrs. Wisniewski and Pardo, and Ms. Bakker. None of the current or previous members of our compensation committee is, or ever has been, an officer or employee of ours, nor had any relationship requiring disclosure by us under any paragraph of Item 404 of Regulation S-K of the SEC. None of our executive officers currently serves on our compensation committee or a board of directors of any other entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

Code of Conduct

Prior to the completion of this offering, we will adopt a code of conduct that will apply to all of our employees, officers and directors, including those officers responsible for financial reporting, which will be available on our website, which is located at www.axonicsmodulation.com. We expect that any amendments to the code, or any waivers of its requirements, will be disclosed on our website. The information contained on or that can be accessed through our website is not incorporated by reference into this prospectus, and you should not consider any information contained on, or that can be accessed through, our website as part of this prospectus or in deciding whether to purchase our common stock.

EXECUTIVE COMPENSATION

Our named executive officers, which consist of our principal executive officer and our two other most highly compensated officers for our fiscal year ended December 31, 2017, are:

- Raymond W. Cohen, Chief Executive Officer;
- Danny L. Dearen, President and Chief Financial Officer; and
- Karen Noblett, M.D., Chief Medical Officer.

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt following the completion of this offering may differ materially from the currently planned programs summarized in this discussion.

As noted above, we are an "emerging growth company," as that term is used in the JOBS Act, and have elected to comply with the reduced compensation disclosure requirements available to emerging growth companies under the JOBS Act.

Summary Compensation Table

The following table sets forth total compensation paid to our named executive officers for our fiscal year ended December 31, 2017.

Name and Principal Position	Year	Salary ($)	Option Awards ($)(2)	All Other Compensation ($)(3)	Total ($)
Raymond W. Cohen *Chief Executive Officer*	2017	430,000	164,480	10,800	605,280
Danny L. Dearen *President and Chief Financial Officer*	2017	315,000	95,884	10,800	421,684
Karen Noblett, M.D. *Chief Medical Officer*	2017	87,500(1)	38,718	76,346	202,564

(1) Dr. Noblett's annual salary is $350,000. The amount shown reflects the salary earned from her commencement as a named executive officer on October 2, 2017 through December 31, 2017. Before October 2, 2017, Dr. Noblett provided services to us as a consultant.

(2) Represents the aggregate grant date fair value of option awards granted during 2017, computed in accordance with FASB ASC Topic 718. For Dr. Noblett, this includes the aggregate grant date fair value of the option awards granted to her on May 23, 2017, July 5, 2017, and August 25, 2017, in each case, before she became a named executive officer. See Note 5 to our consolidated financial statements included elsewhere in the prospectus for a discussion of the assumptions we made in determining the grant date fair value of our option awards.

(3) Reflects company matching contributions to our 401(k) plan and for Dr. Noblett, tuition reimbursement in the amount of $31,346 and consulting fees of $45,000 paid to her in 2017 before she became a named executive officer on October 2, 2017.

Annual Base Salary

The annual base salaries of our named executive officers will generally be determined and approved at the beginning of each year, or later if in connection with the commencement of employment of the executive, by

our board of directors. Each named executed officer's initial base salary is provided in his or her employment agreement. As reflected below, the annual base salaries for Mr. Cohen and Dr. Noblett did not change at the beginning of 2018. Mr. Dearen's annual base salary for 2018 increased by $35,000 compared to his annual base salary for 2017 because of increased individual responsibilities and strong performance.

Name	2018 Base Salary
Raymond W. Cohen	$430,000
Danny L. Dearen	$350,000
Karen Noblett, M.D.	$350,000

Bonus Compensation

We do not currently have an established bonus plan or policy for our executive officers. From time to time, our board of directors or compensation committee may approve bonuses for our named executive officers based on individual performance, company performance or as otherwise determined appropriate in their sole discretion. None of our named executive officers received an annual cash bonus for their performance in 2017.

Equity Compensation Plan Awards

Our equity-based compensation awards are designed to align the interests of our stockholders with those of our employees and consultants, including our named executive officers. Our board of directors is responsible for approving equity grants.

We have historically used stock options as the primary incentive for long-term compensation to our named executive officers because the officers are able to profit from stock options only if our stock price increases relative to the stock option's exercise price, which exercise price is set at the fair market value of our common stock at the date of grant. We may grant equity awards at such times as our board of directors determines to be appropriate. Our executives generally are awarded an initial grant in the form of a stock option in connection with their commencement of employment. Additional grants may occur periodically in order to specifically incentivize executives with respect to achieving certain corporate goals or to reward executives for exceptional performance.

Prior to this offering, we granted all equity awards pursuant to the 2014 Plan. Following this offering, we will no longer grant awards under the 2014 Plan and all future grants of equity compensation awards will be under the 2018 Plan. The terms of our equity plans are described below under "—Equity Compensation Plans."

Stock options granted to our named executive officers generally become exercisable over a four-year period, with one-fourth becoming exercisable on the vesting commencement date and the remaining three-fourths becoming exercisable in equal monthly installments over the 36 months after the first anniversary of the vesting commencement date, subject to continuous service. Prior to becoming a named executive officer, Dr. Noblett received stock options that become exercisable over a three-year period, with one-fourth of the options becoming exercisable on the vesting commencement date and the remaining three-fourths becoming exercisable in equal monthly installments over the 36 months after the vesting commencement date, subject to continuous service through each vesting date.

Retirement Plans

We maintain a 401(k) retirement savings plan in which our named executive officers are eligible to participate on the same basis as our other full-time employees. We currently make matching contributions under our 401(k) plan of 100% on the first 3% of the participant's compensation and 50% between 3% and 5% of compensation, subject to IRS limits. The terms of our 401(k) plan are described below under "—401(k) Plan."

Health and Welfare Benefits and Perquisites

Our named executive officers are eligible to participate in our employee benefit plans and programs, including medical, dental, vision, group life, disability and accidental death and dismemberment insurance, in each case, on the same basis as our other full-time employees. Except for tuition reimbursement to Dr. Noblett, we do not provide any perquisites or personal benefits (as described under applicable SEC rules) to our named executive officers.

Outstanding Equity Awards at Fiscal Year-End

The following table summarizes, for each of our named executive officers, the number of outstanding equity awards held on December 31, 2017.

			Option Awards(1)				Stock Awards(5)		
			Number of Securities Underlying Unexercised Options						
Name	Grant Date	Vesting Commencement Date(2)(3)	Exercisable (#)	Unexercisable (#)	Option Exercise Price ($)	Option Expiration Date	Number of shares of stock that have vested (#)	Number of shares of stock that have not vested (#)	Market value of shares of stock that have not vested ($)
Raymond W. Cohen	03/14/2014	—	—	—	—	—	99,183	—	
Chief Executive Officer	01/15/2016	—	—	—	—	—	143,555	143,555	244,044
	05/23/2017	—	—	—	—	—	14,420	43,259	73,540
	07/05/2017	—	—	—	—	—	8,630	25,890	44,013
	08/25/2017	—	—	—	—	—	15,700	47,101	80,072
Danny L. Dearen	03/14/2014	—	—	—	—	—	66,162	—	
President and Chief Financial Officer	01/15/2016	01/15/2016	57,242	57,242(2)(3)	1.17	01/15/2026	—	—	
	05/23/2017	05/23/2017	8,087	24,260(2)(3)	1.58	05/23/2027	—	—	
	07/05/2017	07/05/2017	5,113	15,337(2)(3)	1.58	07/05/2027	—	—	
	08/25/2017	07/21/2017	9,301	27,902(2)(3)	1.70	08/25/2027	—	—	
Karen Noblett, M.D.	10/01/2015	10/01/2015	4,750	1,250(4)	1.16	10/01/2025	—	—	
Chief Medical Officer	01/15/2016	01/15/2016	5,833	2,167(4)	1.17	01/15/2026	—	—	
	05/23/2017	05/23/2017	231	353(4)	1.58	05/23/2027	—	—	
	07/05/2017	07/05/2017	115	210(4)	1.58	07/05/2027	—	—	
	08/25/2017	07/21/2017	209	382(4)	1.70	08/25/2027	—	—	
	10/30/2017	—	—	—	—	—	5,158	15,473	26,304
	11/15/2017	—	—	—	—	—	3,117	9,352	15,898

(1) All of the options have been granted under the 2014 Plan. The terms of the 2014 Plan are described below under "—Equity Compensation Plans."

(2) One-fourth of the options vested on the vesting commencement date and the remaining three-fourths vest in equal monthly installments over the three years after the first anniversary of the vesting commencement date, subject to continuous service through each vesting date.

(3) This option award is subject to an early exercise provision and is immediately exercisable in exchange for restricted shares.

(4) One-fourth of the options vested on the vesting commencement date and the remaining three-fourths vest in equal monthly installments over the three years after the vesting commencement date, subject to continuous service through each vesting date.

(5) These are restricted shares received upon the early exercise of stock options, which shares are subject to the same vesting terms as the underlying options.

Equity Compensation Plans

2018 Omnibus Incentive Plan

Prior to the completion of this offering, we intend to adopt and ask our stockholders to approve the 2018 Plan, under which we may grant cash and equity incentive awards to eligible service providers in order to attract,

motivate and retain the talent for which we compete. The material terms of the 2018 Plan, as it is currently contemplated, are summarized below. Our board of directors is still in the process of developing, approving and implementing the 2018 Plan and, accordingly, this summary is subject to change.

Stock Awards. The 2018 Plan provides for the grant of options intended to qualify as "incentive stock options" as defined in Section 422 of the Code, or ISOs, nonstatutory stock options, or NSOs, stock appreciation rights, or SARs, restricted stock awards, restricted stock units, or RSUs, and other stock-based awards. ISOs may be granted only to employees. All other awards may be granted to our and our affiliates' employees, non-employee directors, consultants and other service providers.

Administration, Amendment and Termination. The 2018 Plan is administered by our board of directors or a committee of our board of directors designated by our board of directors to administer the 2018 Plan. Our board of directors has retained the right to exercise the authority of any committee that it appoints to administer the 2018 Plan to the extent consistent with applicable law and the applicable requirements of any stock exchange.

Subject to the terms of the 2018 Plan, the plan administrator has the authority to (i) grant and amend awards, which includes determining the type, form, terms and conditions and number of shares subject to any award, (ii) interpret any provision of the 2018 Plan, any award or any award agreement and (iii) make all determinations and decisions necessary for the administration of the 2018 Plan. All determinations and decisions by the plan administrator under the 2018 Plan are in its sole discretion and are final and binding.

Securities to be Offered. The 2018 Plan provides for awards based on shares of our common stock. Subject to adjustment as described below, the total number of shares authorized to be awarded under the 2018 Plan may not exceed , which includes the number of shares authorized and available for issuance under the 2014 Plan.

Any award settled in cash will not be counted as issued shares for any purpose under the 2018 Plan. If any award expires, or is terminated, surrendered or forfeited, the unissued shares covered by the award will again be available for the grant of awards. If shares issued pursuant to the 2018 Plan are repurchased by, or are surrendered or forfeited to our company, at no more than cost, those shares will again be available for the grant of awards. If shares issuable upon exercise, vesting or settlement of an award or shares owned by a grantee are surrendered or tendered to our company in payment of the purchase price of an award or any taxes required to be withheld for an award, those surrendered or tendered shares will again be available for the grant of awards.

Substitute awards will not be counted against the number of shares available for the grant of awards under the 2018 Plan.

Eligibility. Eligibility to participate in the 2018 Plan is limited to our and our affiliates' employees, officers, non-employee directors, and consultants as determined from time to time by the plan administrator.

Stock Options. The 2018 Plan provides for the grant of options to purchase shares of common stock at exercise prices, and subject to terms, conditions and limitations, determined by the plan administrator and set forth in an option agreement delivered to the optionee. Options may include the option for a grantee who is employed to elect to exercise the option prior to the option becoming fully vested and any other restrictions our board of directors deems appropriate. Any unvested shares so purchased will remain subject to our repurchase option.

An option that the plan administrator intends to be an ISO may be granted only to our employees and will be subject to and construed consistently with the requirements of Section 422 of the Code. An option that does not qualify as an ISO is referred to as a NSO.

Stock Appreciation Rights. The 2018 Plan provides for the grant of SARs, which may be awarded either alone or in tandem with, or as a component of, other awards. The applicable award agreement will include

information about the terms and conditions under which a SAR will be exercisable, including any performance requirements. A SAR confers on the participant a right to receive, upon exercise, a payment of the excess of (i) the fair market value of one share of our stock on the date of exercise over (ii) the grant price of the SAR as determined by the plan administrator (which will be equal to at least fair market value on the grant date).

Restricted Stock Awards. The 2018 Plan provides for the grant of restricted stock awards. In general, a restricted stock award is an award of actual shares of common stock issued in the participant's name that are subject to certain vesting requirements and that we may hold until the applicable vesting date, at which time the shares are released to the participant. The plan administrator will determine the terms and conditions of any restricted stock award, which will be set forth in the restricted stock agreement delivered to the participant. A restricted stock award holder will have all the rights of a stockholder with respect to such shares, including voting and dividend rights, subject, however, to the restrictions and conditions specified in the restricted stock agreement.

Restricted Stock Units. The 2018 Plan provides for the grant of RSUs. An RSU represents the right to receive one share of common stock upon the applicable vesting date, but no share is actually issued until vesting. An RSU may be settled in cash rather than stock to the extent provided in the applicable award agreement. The plan administrator will determine the terms and conditions of any RSUs granted under the 2018 Plan. In general, a holder of RSUs will not have any rights of a stockholder but the plan administrator may provide that the holder is entitled to receive dividend equivalent rights.

Stock-Based Performance Awards. The 2018 Plan provides for the grant of awards based on various performance conditions as may be specified by the plan administrator. Settlement of performance awards may be in cash, shares, other awards or other property, in the discretion of the plan administrator. The plan administrator may reduce the amount of a settlement otherwise to be made in connection with performance awards.

Other Stock-Based Awards. The plan administrator may grant other stock-based awards, either alone or in addition to or in conjunction with other awards under the 2018 Plan, based upon the common stock, having terms and conditions as the plan administrator may determine.

Transferability of Awards. Unless authorized in the applicable award agreement, a participant may not assign or transfer an award under the 2018 Plan, except by will or as permitted under the laws of descent and distribution. During a participant's lifetime, only the participant personally (or his or her personal representative) may exercise rights under the 2018 Plan.

Rights as Stockholder. Unless an applicable award agreement states otherwise, a 2018 Plan participant will have no rights as a stockholder with respect to any shares covered by an award until he or she becomes the record holder of the shares.

Withholding for Payment of Taxes. We may deduct from payments of any kind otherwise due to a 2018 Plan participant any federal, state or local taxes of any kind required by law to be withheld in connection with the vesting of or other lapse of restrictions applicable to an award or upon the issuance of any shares of stock upon the exercise of an option or pursuant to an award.

Effect of Certain Transactions. If (i) the number of outstanding shares of our common stock is increased or decreased or the shares are changed into or exchanged for a different number or kind of shares or other securities of our company on account of any recapitalization, reclassification, stock split, reverse split, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in shares effected without receipt of consideration by our company or (ii) there is a spin-off, split-up, extraordinary cash dividend or other distribution of assets by our company, then (a) the number and kind of shares for which grants of 2018 Plan awards may be made, (b) the number and kind of shares for which outstanding awards may be exercised or settled and (c) the performance goals relating to outstanding awards, will

all be equitably adjusted. In addition, in the event of any increase or decrease in the number of outstanding shares or other transaction described in clause (ii) above, the number and kind of shares for which 2018 Plan awards are outstanding and the option price per share of outstanding stock options will be equitably adjusted.

Unless otherwise provided in an award agreement, in the event of a corporate transaction (i.e., a reorganization, merger, statutory share exchange, consolidation, sale of all or substantially all of our company's assets, acquisition of assets or stock of another entity by our company, or other corporate transaction involving our company or any of our affiliates), the 2018 Plan and awards under it will continue in effect in accordance with their terms, except that after a corporate transaction either (i) each outstanding award will be treated as provided for in the corporate transaction agreement or (ii) if not covered in the corporate transaction agreement, each grantee will be entitled to receive for each share of common stock under the grantee's awards (upon exercise or payment or transfer in respect of those awards), the same consideration that each of our common stockholders was entitled to receive in the corporate transaction for one share, except that such consideration will remain subject to all of the terms and conditions (including performance criteria) that were applicable to the awards before the corporate transaction. Treatment of 2018 Plan awards upon a corporate transaction may include cancellation and liquidation of stock options and SARs (including for $0 if the options or SARs are underwater at the time of the corporate transaction).

Clawback. All awards, amounts, or benefits received or outstanding under the 2018 Plan are subject to clawback, cancellation, recoupment, rescission, payback, reduction, or other similar action in accordance with our clawback or similar policy or any applicable law related to such actions and the detrimental conduct policy, as provided in the 2018 Plan.

Change in Control. In the event of a "change in control" (as defined in the 2018 Plan), either of the following provisions will apply to 2018 Plan awards outstanding at the time, depending on whether, and the extent to which, awards are assumed, converted or replaced by the resulting entity in the change in control (and unless otherwise provided in the applicable award agreement):

(1) If awards are not assumed, converted or replaced by the resulting entity in the change in control, then those awards will become fully exercisable and all restrictions on the awards will lapse, except for performance awards, for which the target payout opportunities attainable will be deemed to have been fully earned as of the change in control based upon the greater of (a) an assumed achievement of all relevant performance goals at the "target" level or (b) the actual level of achievement of all relevant performance goals against target as of our fiscal quarter end preceding the change in control.

(2) If awards are assumed, converted or replaced by the resulting entity in the change in control, if, within 24 months after the change in control, the grantee is involuntarily terminated or resigns for good reason, if permitted under the applicable award agreement, the grantee's awards will become fully exercisable and all restrictions on the awards will lapse, except for performance awards, for which the target payout opportunities attainable will be deemed to have been fully earned as of the involuntary termination based upon the greater of (a) an assumed achievement of all relevant performance goals at the "target" level, or (b) the actual level of achievement of all relevant performance goals against target as of our fiscal quarter end preceding the change in control.

Repurchase Right. Should a participant's employment, board service, or engagement as a consultant or service provider be terminated for any reason whatsoever (including death or disability), a participant's option agreement or restricted stock agreement may provide our company or our assigns the right to elect to repurchase shares of common stock acquired pursuant to the exercise of an option or pursuant to a restricted stock agreement.

Amendment and Termination. The plan administrator may amend, suspend or terminate the 2018 Plan as to any awards that have not been made. No alteration, amendment, suspension or termination of the 2018 Plan may, without participant consent, materially impair rights or obligations under any outstanding award. The plan administrator may amend, modify or supplement the terms of any outstanding award, including modification of awards to foreign nationals or individuals who are employed outside the United States to recognize differences in local law, tax policy or custom.

2014 Stock Incentive Plan

Our board of directors originally adopted the 2014 Plan on March 12, 2014 and our stockholders approved the 2014 Plan on the same date. The 2014 Plan was amended effective December 4, 2015, April 19, 2017, and March 29, 2018, to increase the number of shares available for issuance pursuant to plan awards.

Stock Awards Eligibility. The 2014 Plan provides for the grant of ISOs, NSOs, and restricted stock. Only employees of our company or of an affiliate (including officers of our company and members of our board of directors if they are employees of an affiliate) are eligible to receive ISOs under the 2014 Plan. All other awards may be granted to our and our affiliates' employees, non-employee directors, consultants and other service providers.

Administration, Authority of Plan Administrator. The 2014 Plan is administered by our board of directors or a committee of our board of directors designated in whole or in part to administer the 2014 Plan.

Subject to the terms of the 2014 Plan or by any applicable law, the plan administrator has the authority to, among other things, (i) determine which persons will receive an award, (ii) grant and amend awards, which includes determining the type, form, terms and conditions and number of shares subject to any award, (iii) interpret any provision and amend any rules of the 2014 Plan, any award or any award agreement, and (iv) make all determinations and decisions necessary for the administration of the 2014 Plan. All determinations and decisions by the plan administrator under the 2014 Plan are in its sole discretion and are final and binding.

Securities to be Offered. The 2014 Plan provides for awards based on shares of our common stock. Subject to adjustment as described below, the total number of shares authorized to be awarded under the 2014 Plan may not exceed 2,648,781. As of June 30, 2018, there were 32,142 shares available for issuance under the 2014 Plan. Shares subject to awards that have been terminated and shares initially subject to an award but reacquired by us will again be available for grant under the plan.

Stock Options. The 2014 Plan provides for the grant of options to purchase shares of common stock at exercise prices, and subject to terms, conditions and limitations, determined by the plan administrator and set forth in an option agreement delivered to the optionee.

The exercise price per share of common stock subject to each option will be determined by the plan administrator and will not be less than 100% of the fair market value per share of common stock on the date the option is granted. The option term will be set by the plan administrator but no option may be exercisable more than 10 years after the date of grant. An option that the 2014 Plan administrator intends to be an ISO will be subject to and be construed consistently with the requirements of Section 422 of the Code. An option that does not qualify as an ISO is referred to as a "nonstatutory option."

Restricted Stock Awards. The 2014 Plan provides for the grant of restricted stock awards. In general, a restricted stock award is an award of actual shares of common stock issued in the participant's name. The restricted stock agreement will provide the date or dates, the performance criteria or objectives which must be achieved, and any other conditions on which the restricted stock may vest.

The plan administrator will determine the terms and conditions of any restricted stock award, which will be set forth in the restricted stock agreement delivered to the participant. A restricted stock award holder will

have all the rights of a stockholder with respect to such shares, including voting and dividend rights, subject, however, to the restrictions and conditions specified in the restricted stock agreement.

Promissory Note. Certain of the of the stock option award agreements provide the optionee the right to exercise his or her options through and subject to the terms of a secured full recourse promissory note as may be made available to certain eligible employees by the Company under the 2014 Plan. An optionee is required to concurrently execute and deliver a pledge agreement, should the optionee exercise the option for the purchase of the shares underlying the option using the full recourse promissory note.

Repurchase Right. Should a participant's service with the company terminate for any reason, the participant's option agreement or restricted stock agreement may provide our company the right, at the discretion of the plan administrator, to repurchase shares of common stock acquired pursuant to the exercise of an option or pursuant to a restricted stock agreement. For vested options or shares, the repurchase price will equal the fair market value per share of common stock as of the termination of employment. For unvested options or shares, the repurchase price will equal either fair market value per share of common stock as of the termination of employment or the exercise price, in the case of options, or the original purchase price paid per share (if any), in the case of restricted stock.

Transferability of Awards. A participant may not sell, assign, transfer or pledge an award under the 2014 Plan, except as otherwise provided by the plan administrator in an option agreement or restricted stock agreement or by will or as permitted under the laws of descent and distribution. During a participant's lifetime, only the participant personally may exercise rights under the 2014 Plan. The plan administrator may grant nonstatutory options that may be transferred to a revocable trust or as otherwise permitted under Rule 701 of the Securities Act.

Rights as Stockholder. An optionee or permitted transferee of an option will have no rights or privileges as a stockholder with respect to any shares covered by an option until such option has been duly exercised and shares purchased upon such exercise have been issued to such person.

Withholding for Payment of Taxes. We may deduct from payments of any kind otherwise due to a 2014 Plan participant any federal, state or local taxes of any kind required by law to be withheld in connection with the vesting of or other lapse of restrictions applicable to an award or upon the issuance of any shares of stock upon the exercise of an option or pursuant to an award.

Effect of Certain Transactions. If the number of outstanding shares of our common stock is increased or decreased or the shares are changed into or exchanged for a different number or kind of shares or other securities of our company on account of any recapitalization, reclassification, stock split, reverse split, combination of shares, stock dividend, or other change in the capital structure of our company then appropriate adjustment will be automatically made to (i) the aggregate number and kind of shares subject to this plan, (ii) the number and kind of shares and the exercise price or purchase price per share subject to outstanding award agreements, and (iii) the limits on the number of shares subject to the plan, all in order to preserve, as nearly as practical, but not to increase, the benefits to participants.

Change in Control. In the event of a "change in control" (as defined in the 2014 Plan), all outstanding stock options will fully vest automatically, effective immediately prior to the change in control. Additionally, our right to repurchase shares of common stock pursuant to an award granted under the 2014 Plan will automatically terminate immediately prior to the consummation of a change in control and the shares subject to those terminated repurchase rights will immediately vest in full.

Amendment and Termination. Our board of directors may alter, amend, suspend or terminate the 2014 Plan as our board of directors may deem advisable. No alteration, amendment, suspension or termination of the 2014 Plan may, without participant consent, substantially affect or impair the rights of any participant under an

outstanding award agreement, or cause the 2014 Plan or any award granted thereunder, to violate Code Section 409A.

Our board of directors may alter or amend the 2014 Plan to comply with requirements under the Code relating to ISOs or other types of options that give optionees more favorable tax treatment than that applicable to options granted under this plan as of the date of its adoption. Upon any such alteration or amendment, any outstanding award granted under the 2014 Plan may, if the plan administrator so determines and if permitted by applicable law, be subject to the more favorable tax treatment afforded to a participant pursuant to such terms and conditions.

Unless terminated beforehand, the 2014 Plan will terminate on the 10th anniversary of March 12, 2014 and no awards may be granted under the 2014 thereafter, but outstanding award agreements will continue in effect in accordance with their respective terms.

Potential Payments upon Termination or Change in Control

In our employment agreements with Mr. Cohen, Mr. Dearen and Dr. Noblett, we have agreed to provide severance equal to 12 months of base pay for Mr. Cohen and Mr. Dearen and 6 months of base pay for Dr. Noblett. See "—Agreements with our Named Executive Officers" immediately below.

Agreements with Our Named Executive Officers

Below are descriptions of the key terms of our employment agreements with Mr. Cohen, Mr. Dearen and Dr. Noblett. The agreements provide for employment terms and set forth the officer's base salary at the time of hire, other compensation and benefits and severance benefits on a qualifying termination of employment. Additionally, the employment agreements contain proprietary inventions and confidential information provisions. We intend to enter into new employment agreements with each of our named executive officers after the completion of this offering.

Raymond W. Cohen

We entered into an employment agreement with Mr. Cohen in May 2014 under which Mr. Cohen will serve as our Chief Executive Officer. The agreement provides that Mr. Cohen's term as our Chief Executive Officer will run from May 22, 2014 to July 1, 2019, sets forth his initial base salary of $360,000, which will be reviewed on an annual basis, and sets forth his eligibility to receive such medical coverage and other benefits available to senior executives. Mr. Cohen's employment may terminate earlier than July 1, 2019, upon Mr. Cohen's death or disability (meaning he is unable to perform his duties for more than 26 substantially consecutive weeks in any 12-month period). We may also terminate Mr. Cohen's employment for cause (which includes acts that would constitute misappropriation, embezzlement or fraud, materially and adversely impact our business or reputation, conviction of, or entering into a plea of no contest of, a felony, and any breach of the agreement that remains uncured after providing notice to Mr. Cohen of the breach) at any time, and we may terminate Mr. Cohen without cause upon 30 days' prior written notice. The agreement covers stock options granted to Mr. Cohen to purchase 99,183 shares of common stock, which will accelerate and vest in full in the event there is a change in control before or within 90 days following termination of Mr. Cohen's service. Mr. Cohen's employment agreement also includes proprietary inventions and confidential information provisions.

Further, under the employment agreement, if Mr. Cohen's employment terminates prior to July 1, 2019 by reason of death or disability, Mr. Cohen or his estate will be eligible to receive severance equal to 12 months of base salary, conditioned upon his or his agent's execution of a waiver and release agreement. If we terminate Mr. Cohen's employment prior to July 1, 2019 without cause, including after a change in control, or if he terminates his employment for good reason, which is defined to include, among other reasons, resigning for any reason during the 12-month period after a change in control, Mr. Cohen will be eligible to receive severance equal to 12 months of his then current base salary.

Danny L. Dearen

We entered into an employment agreement with Mr. Dearen in May 2014 under which Mr. Dearen will serve as our Chief Operating and Financial Officer. In August 2018, Mr. Dearen was appointed our President and will no longer serve as our Chief Operating Officer. Mr. Dearen will retain his title and responsibilities as our Chief Financial Officer. The agreement provides that Mr. Dearen's term will run from May 22, 2014 to July 1, 2019, sets forth his initial base salary of $300,000, which will be reviewed on an annual basis, and his eligibility to receive such medical coverage and other benefits available to senior executives. Mr. Dearen's employment may terminate earlier than July 1, 2019, upon Mr. Dearen's death or disability (meaning he is unable to perform his duties for more than 26 substantially consecutive weeks in any 12-month period). We may also terminate Mr. Dearen for cause (which includes acts that would constitute misappropriation, embezzlement or fraud, materially and adversely impact our business or reputation, conviction of, or entering into a plea of no contest of, a felony, and any breach of the agreement that remains uncured after providing notice to Mr. Dearen of the breach) at any time, and we may terminate Mr. Dearen without cause upon 30 days' prior written notice. The agreement covers stock options granted to Mr. Dearen to purchase 66,162 shares of common stock, which will accelerate and vest in full in the event there is a change in control before or within 90 days following termination of Mr. Dearen's service. Mr. Dearen's employment agreement also includes proprietary inventions and confidential information provisions.

Further, under the employment agreement, if Mr. Dearen's employment terminates prior to March 1, 2019 by reason of death or disability, Mr. Dearen or his estate will be eligible to receive severance equal to 12 months of base salary, conditioned upon his or his agent's execution of a waiver and release agreement. If we terminate Mr. Dearen's employment prior to July 1, 2019 without cause, including after a change in control, or if he terminates his employment for good reason, which is defined to include, among other reasons, resigning for any reason during the 12-month period after a change in control, Mr. Dearen will be eligible to receive severance equal to 12 months of his then current base salary.

Karen Noblett, M.D.

We entered into an employment agreement with Dr. Noblett in October 2017 under which Dr. Noblett will serve as our Chief Medical Officer. The agreement provides that Dr. Noblett's term as our Chief Medical Officer will run from October 2, 2017 to October 2, 2021, sets forth her initial base salary of $350,000, and her eligibility to receive such medical coverage and other benefits available to senior executives. We have also agreed to sponsor Dr. Noblett's attendance of University of California, Irvine for the purposes of gaining an executive M.B.A, which is acknowledged to cost approximately $110,000. Dr. Noblett's employment may terminate earlier than July 1, 2019, upon Dr. Noblett's death or disability (meaning she is unable to perform her duties for more than 26 substantially consecutive weeks in any 12-month period). We may also terminate Dr. Noblett for cause (which includes acts that would constitute misappropriation, embezzlement or fraud, materially and adversely impact our business or reputation, conviction of, or entering into a plea of no contest of, a felony, and any breach of the agreement that remains uncured after providing notice to Dr. Noblett of the breach) at any time, and we may terminate Dr. Noblett without cause upon 30 days' prior written notice. The agreement cover stock options granted to Dr. Noblett to purchase 12,469 shares of common stock, which will accelerate and vest in full in the event there is a change in control before or within 90 days following termination of Dr. Noblett's service. Dr. Noblett's employment agreement also includes proprietary inventions and confidential information provisions.

Further, under the employment agreement, if Dr. Noblett's employment terminates prior to March 1, 2019 by reason of death or disability, Dr. Noblett or her estate will be eligible to receive severance equal to six months of base salary, conditioned upon her or her agent's execution of a waiver and release agreement. If we terminate Dr. Noblett's employment without cause, including after a change in control, or if she terminates her employment for good reason, which is defined to include, among other reasons, resigning for any reason during the 12-month period after a change in control, Dr. Noblett will be eligible to receive severance equal to six months of her then current base salary.

401(k) Plan

We maintain a defined contribution employee retirement plan, or 401(k) plan, for our employees. Our named executive officers are eligible to participate in the 401(k) plan on the same basis as our other employees. The 401(k) plan is intended to qualify as a tax-qualified plan under Section 401(k) of the Code. The 401(k) plan provides that each participant may contribute up to the lesser of 100% of his or her compensation or the statutory limit, which was $18,000 for calendar year 2017. Participants who are 50 years or older can also make "catch-up" contributions, which in calendar year 2017 was up to an additional $6,000 above the statutory limit. We currently make matching contributions under our 401(k) plan of 100% on the first 3% of the participant's compensation and 50% between 3% and 5% of compensation, subject to IRS limits. Participant contributions are held and invested, pursuant to the participant's instructions, by the plan's trustee.

Nonqualified Deferred Compensation

We do not maintain nonqualified defined contribution plans or other nonqualified deferred compensation plans. Our board of directors may elect to provide our officers and other employees with nonqualified defined contribution or other nonqualified deferred compensation benefits in the future if it determines that doing so is in our best interests.

Director Compensation

We did not pay any compensation to any non-employee member of our board of directors or to Mr. Cohen for service on our board of directors during the year ended December 31, 2017. All compensation paid to Mr. Cohen is for services rendered as our Chief Executive Officer. We do not currently have an established plan or policy with regard to compensation of members of our board of directors. We intend to establish a plan or policy with regard to compensation of members of our board of directors after the completion of this offering.

Limitations on Liability and Indemnification Matters

Our certificate of incorporation will contain provisions that limit the personal liability of our directors for monetary damages to the fullest extent permitted by the DGCL. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for any of the following: (i) breach of the director's duty of loyalty to us or our stockholders; (ii) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of law; (iii) unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; or (iv) a transaction from which the director derives an improper personal benefit.

Our bylaws will provide that we must indemnify our directors and other officers, and may indemnify our employees or agents, to the maximum extent permitted by Section 145 of the DGCL.

We have entered into or intend to enter into separate indemnification agreements with our directors and executive officers, in addition to the indemnification that will be provided for in our certificate of incorporation and bylaws, as they will be in effect upon completion of this offering. These indemnification agreements may require us, among other things, to indemnify our directors and officers for some expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or officer in any action or proceeding arising out of his or her service as one of our directors or officers, or any of our subsidiaries or any other company or enterprise to which the person provides services at our request. We believe that these provisions in our certificate of incorporation, bylaws and indemnification agreements will be necessary to attract and retain qualified persons as directors and officers.

The limitation of liability and indemnification provisions that will be set forth in our certificate of incorporation and bylaws may discourage stockholders from bringing a lawsuit against directors for breach of

their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. To the extent we pay the costs of settlement or a damage award against any director or officer pursuant to these indemnification provisions, our stockholders' investment may be harmed.

Except as otherwise disclosed under the heading "Legal Proceedings" in the "Business" section of this prospectus, there is at present no pending litigation or proceeding involving any of our directors or executive officers as to which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following includes a summary of transactions since January 1, 2015 and each currently proposed transaction to which we have been or are a party, in which the amount involved in the transaction exceeded or will exceed $120,000, and in which any of our directors, executive officers or, to our knowledge, beneficial owners of more than 5% of our capital stock, or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than compensation arrangements for our directors and executive officers, which are described in "Executive Compensation." We also describe below certain other transactions with our directors, executive officers and stockholders.

AMF License Agreement

In October 2013, we entered into the License Agreement with AMF, pursuant to which we license the AMF IP to develop and commercialize the AMF Licensed Products. For a more detailed description of the License Agreement, see "Business—AMF License Agreement." As of June 30, 2018, AMF holds 740,000 shares of our common stock, 125,000 shares of our Series A preferred stock, and 771,161 shares of our Series B-1 preferred stock. John Petrovich, a member of our board of directors, is the President, Chief Executive Officer, Senior Vice President of Business Development, and General Counsel of AMF.

Preferred Stock Financings

In March 2014, we completed the sale of an aggregate of 1,030,000 shares of our Series A preferred stock at a purchase price of $20.00 per share for an aggregate purchase price of approximately $20.6 million. Of the 1,030,000 shares, 719,500 shares were issued as shares of our Series A preferred stock, and 310,500 shares were issued as shares in Axonics Europe S.A.S, or Axonics Europe, on an as-exchanged basis at the applicable exchange rate, or the Series A exchange shares. Immediately prior to the completion of this offering, the Series A exchange shares will automatically be exchanged for 310,500 shares of our Series A preferred stock pursuant to the Share Exchange Agreement, which is defined below.

In addition, in connection with the amendment of the License Agreement in February 2014, in order to, among other things, include the field of the treatment of urinary and fecal dysfunction in humans through the application of electrical energy anywhere in or on the human body, within the scope of the licenses granted therein, an option under the License Agreement that required us to pay $1,000,000, we instead issued and sold to AMF 50,000 shares of our Series A preferred stock.

All outstanding shares of our Series A preferred stock, including all Series A exchange shares once automatically exchanged, will automatically convert into 1,987,896 shares of our common stock upon the completion of this offering.

Series B-1 and Series B-2 Preferred Stock Financing

In January 2016, we completed the sale of an aggregate of 2,529,862 shares of our Series B-1 preferred stock at a purchase price of $7.20 per share and an aggregate of 2,537,231 shares of our Series B-2 preferred stock at a purchase price of $8.00 per share, for an aggregate purchase price of approximately $20.08 million in cash proceeds plus the conversion of the principal and accrued interest on certain promissory notes of $18.22 million.

Of the 2,529,862 shares of Series B-1 preferred stock, 1,925,302 shares were issued as shares of our Series B-1 preferred stock, and 604,560 were issued as shares in Axonics Europe, on an as-exchanged basis at the applicable exchange rate, or the Series B-1 exchange shares. Immediately prior to the completion of this offering, the Series B-1 exchange shares will automatically be exchanged for 604,560 shares of our Series B-1 preferred stock pursuant to the Share Exchange Agreement.

Of the 2,537,231 shares of Series B-2 preferred stock, 2,213,794 were issued as shares of our Series B-2 preferred stock, and 323,437 were issued as shares in Axonics Europe, on an as-exchanged basis at the applicable exchange rate, or the Series B-2 exchange shares. Immediately prior to the completion of this offering, the Series B-2 exchange shares will automatically be exchanged for 323,437 shares of our Series B-2 preferred stock pursuant to the Share Exchange Agreement.

The shares referenced above were issued in two closings, with the initial closing of 2,529,862 shares of our Series B-1 preferred stock, including the Series B-1 exchange shares, and 2,334,106 shares of Series B-2 preferred stock, including the Series B-2 exchange shares, closing in December 2015, and the second closing of 203,125 shares of our Series B-2 preferred stock, including Series B-2 exchange shares, closing in January 2016.

All outstanding shares of our Series B-1 preferred stock, including all Series B-1 exchange shares once automatically exchanged, will automatically convert into 2,523,862 shares of our common stock upon the completion of this offering. All outstanding shares of our Series B-2 preferred stock, including all Series B-2 exchange shares once automatically exchanged, will automatically convert into 2,537,231 shares of our common stock upon the completion of this offering.

The following table summarizes purchases of shares of our Series B-1 preferred stock, including the Series B-1 exchange shares, and our Series B-2 preferred stock, including the Series B-2 exchange shares, by holders of more than 5% of our capital stock, a member of our board of directors and an entity affiliated with a member of our board of directors.

	Initial Closing			Second Closing				
Participants	Shares of Series B-1 Preferred Stock	Shares of Series B-2 Preferred Stock	Aggregate Purchase Price(2)	Shares of Series B-2 Preferred Stock	Aggregate Purchase Price	Total Shares of Series B-1 Purchased	Total Shares of Series B-2 Purchased	Aggregate Purchase Price(2)
Greater than 5% Stockholders(1)								
BioDiscovery 4 FCPR(3)(4)	671,733	359,375	$ 7,711,477.60	—	$ —	671,733	359,375	$ 7,711,477.60
NeoMed Innovation V, L.P.(5)	379,675	203,125	$ 4,358,660.00	—	$ —	379,675	203,125	$ 4,358,660.00
Noble Prestige Holdings Limited	379,415	—	$ 2,731,788.00	203,125	$ 1,625,000.00	379,415	203,125	$ 4,356,788.00
AMF(6)	771,161	—	$ 5,552,359.20	—	$ —	771,161	—	$ 5,552,359.20
Advent Life Sciences Fund II LLP(7)(8)	—	1,062,499	$ 8,499,992.00	—	—	—	1,062,499	$ 8,499,992.00
Director								
Raymond W. Cohen	7,300	—	$ 52,560.00	—	$ —	7,300	—	$ 52,560.00

(1) Additional details regarding these stockholders and their equity holdings are included in this prospectus under the caption “Principal Stockholders.”

(2) A portion of the consideration paid for the shares of Series B-1 and B-2 preferred stock issued in the initial closing was funded through the conversion of the aggregate principal amount and accrued interest of certain convertible promissory notes.

(3) Assumes full exercise of all exchange rights of the Series B-1 exchange shares and the Series B-2 exchange shares under the Share Exchange Agreement.

(4) Raphaël Wisniewski, who is a member of our board of directors, is a Partner of Andera Partners, which is the Manager of BioDiscovery 4 FCPR.

(5) Erik Amble, Ph.D., who is a member of our board of directors, is the Chair of NeoMed Innovation V, L.P.

(6) John Petrovich, who is a member of our board of directors, is the President, Chief Executive Officer, Senior Vice President of Business Development, and General Counsel of AMF.

(7) Includes 36,518 shares of Series B-2 preferred stock purchased in the second closing by Advent Life Sciences LLP.

(8) Shahzad Malik, M.B. BChir, who is a member of our board of directors, is a General Partner of Advent Life Sciences LLP, which is the General Partner of Advent Life Sciences Fund II LLP.

A portion of the consideration paid for the shares of Series B-1 and B-2 preferred stock issued in the initial closing was funded through the conversion of the aggregate principal amount and accrued interest of certain convertible promissory notes.

Our Chief Executive Officer and member of our board of directors, Raymond W. Cohen, participated in the offering. As a result of this offering, Advent Life Sciences Fund II LLP, of which our director Shahzad Malik, M.B. BChir, may be deemed to hold voting or investment control, became a beneficial owner of more than 5% of our outstanding shares of our common stock.

Series C Preferred Stock Financing

In March 2018, we completed the sale of an aggregate of 6,122,222 shares of our Series C preferred stock at a purchase price of $9.00 per share for an aggregate purchase price of approximately $55.0 million. Of the 6,122,222 shares, 4,131,546 of these shares were issued as shares of our Series C preferred stock, and 1,900,676 were issued as shares in Axonics Europe, on an as-exchanged basis at the applicable exchange rate, or the Series C exchange shares. Immediately prior to the completion of this offering, the Series C exchange shares will automatically be exchanged for 1,900,676 shares of our Series c preferred stock pursuant to the Share Exchange Agreement.

The shares referenced above were issued in three tranches, with the first tranche of 1,606,255 shares, including the Series C exchange shares, closing in April 2017, the second tranche of 2,282,634 shares, including the Series C exchange shares, closing in June 2017, and the third tranche of 2,233,333 shares, including the Series C exchange shares, closing in March 2018.

All outstanding shares of our Series C preferred stock, including all Series C exchange shares once automatically exchanged, will automatically convert into 6,122,222 shares of our common stock upon the completion of this offering. The following table summarizes purchases of shares of our Series C preferred stock, including Series C exchange shares, by holders of more than 5% of our capital stock and an entity affiliated with a member of our board of directors.

	Initial Closing		Second Closing		Third Closing			
Participants	Shares of Series C Preferred Stock	Aggregate Purchase Price	Shares of Series C Preferred Stock	Aggregate Purchase Price	Shares of Series C Preferred Stock	Aggregate Purchase Price	Total Shares Purchased	Aggregate Purchase Price
Greater than 5% Stockholders(1)								
BioDiscovery 4 FCPR(2)(3)	545,197	$4,906,773	—	$ —	—	$ —	545,197	$ 4,906,773
NeoMed Innovation V, L.P.(4)	308,155	$2,773,395	—	$ —	—	$ —	308,155	$ 2,773,395
Noble Prestige Holdings Limited	111,111	$ 999,999	—	$ —	—	$ —	111,111	$ 999,999
Advent Life Sciences Fund II LLP(5)(6)	349,457	$3,145,113	—	$ —	—	$ —	349,457	$ 3,145,113
Coöperatieve Gilde Healthcare IV U.A.(2)(7)	—	$ —	1,666,666	$14,999,994	222,222	$ 1,999,998	1,888,888	$16,999,992
Longitude Venture Partners III, L.P.(8)	—	$ —	—	$ —	2,000,000	$18,000,000	2,000,000	$18,000,000

(1) Additional details regarding these stockholders and their equity holdings are included in this prospectus under the caption “Principal Stockholders.”

(2) Assumes full exercise of all exchange rights of the Series C exchange shares under the Share Exchange Agreement.

(3) Raphaël Wisniewski, who is a member of our board of directors, is a Partner of Andera Partners, which is the Manager of BioDiscovery 4 FCPR.

(4) Erik Amble, Ph.D., who is a member of our board of directors, is the Chair of NeoMed Innovation V, L.P.

(5) Includes 12,010 shares of Series C preferred stock purchased in the initial closing by Advent Life Sciences LLP.

(6) Shahzad Malik, M.B. BChir, who is a member of our board of directors, is a General Partner of Advent Life Sciences LLP, which is the General Partner of Advent Life Sciences Fund II LLP.

(7) Geoff Pardo, who is a member of our board of directors, is a Partner of Gilde Healthcare Partners, an entity affiliated with Coöperatieve Gilde Healthcare IV U.A.

(8) Juliet Tammenoms Bakker, who is a member of our board of directors, is a Managing Member of Longitude Capital Partners III, LLC, which is the General Partner of Longitude Venture Partners III, L.P.

As a result of this offering, Coöperatieve Gilde Healthcare IV, of which our director Geoff Pardo may be deemed to hold voting or investment control, and Longitude Venture Partners III, L.P., of which our director Juliet Tammenoms Bakker may be deemed to hold voting or investment control, each became beneficial owners of more than 5% of our outstanding shares of our common stock.

Investors' Rights Agreement

We are party to a Fourth Amended and Restated Investors' Rights Agreement, dated March 29, 2018, along with certain holders of our capital stock, which includes each investor in our preferred stock and certain of our directors (or, in some cases, entities affiliated therewith), or the Rights Agreement. The Rights Agreement grants certain rights to the holders, including certain registration rights with respect to the registrable securities held by them. See "Description of Capital Stock—Registration Rights" for additional information.

The Rights Agreement imposes certain affirmative obligations on us, including our obligation to, among others, (i) grant each holder of 5% of our capital stock a right of first offer with respect to future sales of our equity, excluding the shares to be offered and sold in this offering, (ii) invite a representative of each of Longitude Venture Partners III, L.P. and Noble Prestige Holdings Limited to attend all meetings of our board of directors in a non-voting observer capacity, and (iii) grant certain information and inspection rights to holders of 5% or more of our preferred stock. Each of these obligations will terminate in connection with the closing of this offering.

In addition, the Rights Agreement requires that at least two-thirds of the members of our board of directors approve certain transactions of our company, subject to limited exceptions, including, the incurrence or advance of any loan, the guarantee of any indebtedness, the incurrence of any indebtedness over $100,000, enter into related party transactions, change the compensation of any of the executive officers, change our strategy, amend or waive any provision of the License Agreement, commence or settle material litigation, sell or transfer material assets, undertake this offering, approve a budget, form a subsidiary, or authorize any class of security with rights on parity with or superior to our Series C preferred stock. We intend to enter into an amendment to the Rights Agreement prior to the completion of this offering to set forth that this heightened-board approval requirement will terminate in connection with the closing of this offering.

Voting Agreement

We are party to a Fifth Amended and Restated Voting Agreement, dated March 29, 2018, along with certain holders of our capital stock, which includes each investor in our preferred stock and certain of our

directors (or, in some cases, entities affiliated therewith), or the Voting Agreement. Pursuant to the Voting Agreement, each of BioDiscovery 4 FCPR, NeoMed Innovation V, L.P., AMF, Advent Life Sciences LLP, Coöperatieve Gilde Healthcare IV U.A., and Longitude Venture Partners III, L.P. has the right to designate one member to be elected to our board of directors. See "Management—Board Composition and Election of Directors." The Voting Agreement will terminate by its terms in connection with the closing of this offering and none of our stockholders will have any continuing rights regarding the election or designation of members of our board of directors following this offering.

Right of First Refusal and Co-Sale Agreement

We are party to a Second Amended and Restated Right of First Refusal and Co-Sale Agreement, dated April 28, 2017, along with certain holders of our capital stock, which includes each investor in our preferred stock and certain of our directors (or, in some cases, entities affiliated therewith), or the Co-Sale Agreement. Pursuant to the Co-Sale Agreement, we have a right of first refusal in respect of certain sales of securities by certain holders of our common stock, including Raymond W. Cohen, our Chief Executive Officer and a member of our board of directors, Danny L. Dearen, our President and Chief Financial Officer, and AMF, a holder of 5% or more of our outstanding capital stock. To the extent we do not exercise such right in full, the holders of our preferred stock are granted certain rights of first refusal and co-sale in respect of such sale. The Co-Sale Agreement will terminate in connection with the closing of this offering.

Share Exchange Agreement

We are party to a Fourth Amended and Restated Share Exchange Agreement, dated June 30, 2017, with BioDiscovery 4 FCPR and Coöperatieve Gilde Healthcare IV U.A., or the Share Exchange Agreement. Each of BioDiscovery 4 FCPR and Coöperatieve Gilde Healthcare IV U.A. have invested in our preferred stock. We and BioDiscovery 4 FCPR have established a French corporation, Axonics Europe, S.A.S., or Axonics Europe, to accommodate BioDiscovery 4 FCPR's requirement that a certain amount of the proceeds of its investment go directly to fund a subsidiary based in France. These proceeds were generally subsequently distributed to us.

Accordingly, the investment by BioDiscovery 4 FCPR and a portion of the aggregate investment by Coöperatieve Gilde Healthcare IV U.A. in our company, has been divided with ten percent being allocated to our company and ninety percent to Axonics Europe. As a result of the accommodation, we, BioDiscovery 4 FCPR and Coöperatieve Gilde Healthcare IV U.A. are holders of shares in Axonics Europe, or the French Shares, with BioDiscovery 4 FCPR and Coöperatieve Gilde Healthcare IV U.A. holding a majority of the French Shares.

Pursuant to the Share Exchange Agreement, each of BioDiscovery 4 FCPR and Coöperatieve Gilde Healthcare IV U.A. have the option to contribute and exchange their respective French Shares in exchange for the applicable series of our preferred stock at the applicable exchange ratio. This option will automatically be deemed to be exercised in full immediately prior to the closing of this offering. As a result, we will hold all outstanding French Shares immediately prior to the closing of this offering.

Loans to Executive Officers and Directors; Debt Forgiveness

We have agreed to pay for the early exercise of stock option awards of certain of our executive officers and directors under the 2014 Plan in exchange for their respective issuance of a secured full recourse promissory note, or the promissory note, for each exercise, and their respective entry into a stock pledge agreement, or pledge agreement, pledging such shares as collateral under each respective promissory note. Each of our executive officers and directors entered into substantially similar promissory notes and pledge agreements. Each promissory note bore interest at a rate of 4.5% per annum.

The following table demonstrates the loans made to our executive officers and directors based on each early option exercise and the respective balance of each promissory note as of October 4, 2018, which represents

the largest aggregate amount of principal outstanding during such time each respective promissory note was outstanding:

Executive Officers and Directors	Date of Loan	Principal Amount	Options Exercised	Exercise Price	Balance as of October 4, 2018
Raymond W. Cohen	4/21/2015	$ 115,052.28	99,183	$ 1.16	$ 132,953.15
	1/15/2016	$ 335,918.70	287,110	$ 1.17	$ 377,043.43
	5/23/2017	$ 91,132.82	57,679	$ 1.58	$ 96,739.36
	7/5/2017	$ 54,541.60	34,520	$ 1.58	$ 57,607.88
	8/25/2017	$ 106,761.70	62,801	$ 1.70	$ 112,092.47
Danny L. Dearen	11/30/2015	$ 76,747.92	66,162	$ 1.16	$ 86,579.01
Karen Noblett, M.D.	8/15/2017	$ 56,270.00	33,100	$ 1.70	$ 59,149.02
Prabodh Mathur	6/24/2015	$ 52,461.00	45,225	$ 1.16	$ 60,209.42
	1/15/2016	$ 109,000.71	93,163	$ 1.17	$ 122,345.08
	5/26/2017	$ 30,787.88	19,486	$ 1.58	$ 32,670.58
	8/15/2017	$ 17,661.24	11,178	$ 1.58	$ 18,564.87
	8/28/2017	$ 34,571.20	20,336	$ 1.70	$ 36,284.61
Guangqiang (Jay) Jiang, Ph.D.	6/18/2015	$ 45,974.28	39,633	$ 1.16	$ 52,798.63
	1/15/2016	$ 80,443.35	68,755	$ 1.17	$ 90,291.60
	7/22/2017	$ 17,661.24	11,178	$ 1.58	$ 18,617.12
	7/22/2017	$ 30,787.88	19,486	$ 1.58	$ 32,454.22
John Woock, Ph.D.	11/5/2015	$ 14,500.00	12,500	$ 1.16	$ 16,402.08
	2/9/2016	$ 66,331.98	56,694	$ 1.17	$ 74,248.20
	5/28/2017	$ 18,471.78	11,691	$ 1.58	$ 19,596.79
Michael V. Williamson	11/24/2015	$ 52,461.00	45,225	$ 1.16	$ 59,219.85
	2/15/2016	$ 109,000.71	93,163	$ 1.17	$ 121,928.49
Rinda Sama	7/14/2015	$ 34,974.00	30,150	$ 1.16	$ 40,053.37
	1/28/2016	$ 72,667.53	62,109	$ 1.17	$ 81,447.36
	5/25/2017	$ 59,112.54	37,413	$ 1.58	$ 62,734.60
	8/24/2017	$ 33,467.56	21,182	$ 1.58	$ 35,142.77
	8/26/2017	$ 65,507.80	38,534	$ 1.70	$ 68,770.63
Total					**$ 1,965,944.59**

We have entered into debt forgiveness and cancellation of note agreements with certain of our executive officers and directors, including each of our named executive officers, to terminate each of their respective promissory notes and to forgive all respective obligations for payment thereof in connection with this offering. Pursuant to such agreements, as the forgiveness of such loan obligations gives rise to income that is subject to tax withholding, certain of the above executive officers have respectively agreed to surrender to us an aggregate of 31,948 shares of our common stock as compensation for our tax withholding obligations, and a certain other executive officer has agreed to pay in cash our tax withholding obligation with respect to such officer.

Reserved Share Program

At our request, the underwriters have reserved for sale, at the initial public offering price, up to % of the shares offered by this prospectus for sale to some of our directors, officers, employees, dealers, business associates and related persons. See “Underwriting—Reserved Shares.”

Participation in This Offering

Certain of our existing stockholders that are affiliated with certain of our directors have indicated an interest in purchasing an aggregate of up to approximately $ million in shares of our common stock in this offering at the initial public offering price. However, because indications of interest are not binding agreements

or commitments to purchase, the underwriters may determine to sell more, fewer or no shares in this offering to any or all of these stockholders, or any or all of these stockholders may determine to purchase more, fewer or no shares in this offering. The underwriters will receive the same underwriting discount on any shares purchased by these stockholders as they will on any other shares sold to the public in this offering.

Indemnification Agreements

We intend to enter into or have entered into separate indemnification agreements with our directors and executive officers. The indemnification agreements require and our bylaws will require us to indemnify our directors to the fullest extent permitted by Delaware law. For more information regarding these agreements, see "Executive Compensation—Limitations on Liability and Indemnification Matters."

Policies and Procedures for Transactions with Related Persons

Prior to the completion of this offering, we plan to adopt a written related-person transactions policy that sets forth our policies and procedures regarding the identification, review, consideration, ratification and oversight of "related-person transactions." For purposes of our policy only, a "related-person transaction" is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we and any "related person" are participants involving an amount that exceeds $120,000. Transactions involving compensation for services provided to us as an employee, consultant or director are not considered related-person transactions under this policy, so long as such transactions were approved by our audit committee or the independent directors of our board of directors. A related person is any executive officer, director or a holder of more than 5% of any class of our equity, including any of their immediate family members and any entity owned or controlled by such persons.

Under the policy, where a transaction has been identified as a related-person transaction, management must present information regarding the proposed related-person transaction to our audit committee (or, where review by our audit committee would be inappropriate, to another independent body of our board of directors) for review, consideration and approval. The presentation must include a description of, among other things, the material facts, the direct and indirect interests of the related persons, the benefits of the transaction to us and whether any alternative transactions are available. To identify related-person transactions in advance, we will rely on information supplied by our executive officers, directors and certain significant stockholders. In considering related-person transactions, our audit committee or other independent body of our board of directors will take into account the relevant available facts and circumstances including, but not limited to:

- the risks, costs and benefits to us;
- the impact on a director's independence in the event the related person is a director, immediate family member of a director or an entity with which a director is affiliated;
- the terms of the transaction;
- the availability of other sources for comparable services or products; and
- the terms available to or from, as the case may be, unrelated third parties or to or from our employees generally.

In the event a director has an interest in the proposed transaction, the director must recuse himself or herself from the deliberations and approval. Our audit committee will approve only those related-person transactions that are in, or are not inconsistent with, the best interests of our company, as our audit committee determines in good faith.

PRINCIPAL STOCKHOLDERS

The following table sets forth information regarding beneficial ownership of our capital stock by:

- each of our named executive officers;
- each of our directors and director nominee;
- all of our executive officers and directors as a group; and
- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our common stock.

The ownership information under the column entitled "Common Stock Beneficially Owned Prior to this Offering" is based on 15,531,621 shares of common stock outstanding as of June 30, 2018, after giving effect to the automatic exchange of the exchanged preferred stock immediately prior to the completion of this offering and the automatic conversion of all outstanding shares of our preferred stock, including the exchanged preferred stock, into shares of our common stock, which will occur upon completion of this offering. The ownership information under the column "Common Stock Beneficially Owned After this Offering" gives effect to the automatic conversion of all outstanding shares of our preferred stock as described above and our issuance of shares of our common stock in this offering.

Information with respect to beneficial ownership has been furnished by each director, director nominee, officer or beneficial owner of more than five percent of our outstanding shares of common stock. We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. In addition, the rules include shares of common stock issuable pursuant to the exercise of stock options that are either immediately exercisable or exercisable within 60 days of June 30, 2018. These shares are deemed to be outstanding and beneficially owned by the person holding those options for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws.

Certain of our existing stockholders that are affiliated with certain of our directors have indicated an interest in purchasing an aggregate of up to approximately $ million in shares of our common stock in this offering at the initial public offering price. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters may determine to sell more, fewer or no shares in this offering to any or all of these stockholders, or any or all of these stockholders may determine to purchase more, fewer or no shares in this offering. The underwriters will receive the same underwriting discount on any shares purchased by these stockholders as they will on any other shares sold to the public in this offering. The following table does not reflect any such potential purchases by these stockholders. If any shares are purchased by these affiliated entities, the number of shares of common stock beneficially owned after this offering and the percentage of common stock beneficially owned after this offering would increase from that set forth in the table below.

Except as otherwise noted below, the address for each person or entity listed in the table is c/o Axonics Modulation Technologies, Inc., 26 Technology Drive, Irvine, California 92618.

Name and address of beneficial owner	Common Stock Beneficially Owned Prior to this Offering		Common Stock Beneficially Owned After this Offering	
	Number of Shares	%	Number of Shares	%
Named Executive Officers, Directors, and Director Nominee				
Raymond W. Cohen(1)	621,093	3.99%		
Danny L. Dearen(2)	234,583	1.50%		
Karen Noblett, M.D.(3)	48,571	*		
Raphaël Wisniewski(4)	2,242,154	14.44%		
Erik Amble, Ph.D.(5)	1,267,304	8.16%		
Shahzad Malik, M.B. BChir(6)	1,411,956	9.09%		
John Petrovich(7)	1,752,411	11.28%		
Geoff Pardo(8)	1,888,888	12.16%		
Juliet Tammenoms Bakker(9)	2,000,000	12.88%		
Robert E. McNamara	—	—		
All executive officers, directors, and director nominee as a group (16 persons)(10)	12,304,457	79.22%		
Greater than 5% Holders				
BioDiscovery 4 FCPR(11)	2,242,154	14.44%		
Longitude Venture Partners III, L.P.(12)	2,000,000	12.88%		
Coöperatieve Gilde Healthcare IV U.A.(13)	1,888,888	12.16%		
Alfred E. Mann Foundation for Scientific Research(14)	1,752,411	11.28%		
Advent Life Sciences Fund II LP(15)	1,411,956	9.09%		
NeoMed Innovation V L.P.(16).	1,267,304	8.16%		
Noble Prestige Holdings Limited(17)	1,070,000	6.89%		

* Less than 1%.

(1) Consists of (i) 578,793 shares of common stock held by Mr. Cohen, (ii) 35,000 shares of common stock underlying stock options exercisable within 60 days of June 30, 2018, and (iii) 7,300 shares of common stock held by the Cielo Trust established March 30, 2018. Mr. Cohen is a trustee of the Cielo Trust established March 30, 2018, and as a result, shares voting and dispositive power over the shares held by it.

(2) Consists of (i) 116,162 shares of common stock held by Mr. Dearen, and (ii) 118,241 shares of common stock underlying stock options exercisable within 60 days of June 30, 2018.

(3) Consists of (i) 33,100 shares of common stock held by Dr. Noblett, and (ii) 15,471 shares of common stock underlying stock options exercisable within 60 days of June 30, 2018.

(4) Consists of 2,242,154 shares held by BioDiscovery 4 FCPR. Andera Partners is the manager of BioDiscovery 4 FCPR and has voting and dispositive power over the shares held by BioDiscovery 4 FCPR. Mr. Wisniewski, who is a member of our board of directors, is a partner of Andera Partners, and may be deemed to have voting and dispositive power over the shares held by BioDiscovery 4 FCPR. Mr. Wisniewski disclaims beneficial ownership of such shares. As described under “Management—Board Composition and Election of Directors”, BioDiscovery 4 FCPR exercised a contractual right under the Voting Agreement by designating Mr. Wisniewski for nomination to our board of directors. The mailing address of BioDiscovery 4 FCPR is 347 Rue Saint St Honoré, 75001 Paris Cedex 08 France.

(5) Consists of 1,267,304 shares held by NeoMed Innovation V, L.P. NeoMed Innovation V Limited is the general partner of NeoMed Innovation V L.P. and has voting and dispositive power over the shares held by

NeoMed Innovation V, L.P. Mr. Amble, who is a member of our board of directors, is a director of NeoMed Innovation V Limited, and may be deemed to have voting and dispositive power over the shares held by NeoMed Innovation V, L.P. Mr. Amble disclaims beneficial ownership of such shares. Mr. Amble and certain of his family members own all of the share capital of AS Fansea, which is a minority stockholder of NeoMed Innovation V L.P. As described under "Management—Board Composition and Election of Directors", NeoMed Innovation V, L.P. exercised a contractual right under the Voting Agreement by designating Mr. Amble for nomination to our board of directors. The mailing address of NeoMed Innovation V, L.P. is 13 Castle Street, St. Helier, Y9 JE4 5UT.

(6) Consists of (i) 48,528 shares of common stock held by Advent Life Sciences LLP and (ii) 1,363,428 shares of common stock held by Advent Life Sciences Fund II LLP. Advent Life Sciences LLP is the general partner of Advent Life Sciences Fund II LLP and has voting and dispositive power over the shares held by Advent Life Sciences Fund II LLP. Dr. Malik, who is a member of our board of directors, is a general partner of Advent Life Sciences LLP, and may be deemed to have voting and dispositive power over the shares held by Advent Life Sciences LLP. As described under "Management—Board Composition and Election of Directors", Advent Life Sciences LLP exercised a contractual right under the Voting Agreement by designating Dr. Malik for nomination to our board of directors. The mailing address of Advent Life Sciences LLP and Advent Life Sciences Fund II LLP is 158-160 North Gower Street, London, United Kingdom NWI 2ND.

(7) Consists of 1,752,411 shares of common stock held by AMF. Mr. Petrovich, who is a member of our board of directors, is the President, Chief Executive Officer, Senior Vice President of Business Development, and General Counsel of AMF, and may be deemed to have voting and dispositive power over the shares held by AMF. Mr. Petrovich disclaims beneficial ownership of such shares. As described under "Management—Board Composition and Election of Directors", AMF exercised a contractual right under the Voting Agreement by designating Mr. Petrovich for nomination to our board of directors. The mailing address of AMF is 25134 Rye Canyon Loop, Santa Clarita, California 91355.

(8) Consists of 1,888,888 shares of common stock held by Coöperatieve Gilde Healthcare IV U.A. Mr. Pardo who is a member of our board of directors, is a partner of Coöperatieve Gilde Healthcare IV U.A., and may be deemed to have voting and dispositive power over the shares held by Coöperatieve Gilde Healthcare IV U.A. As described under "Management—Board Composition and Election of Directors", Coöperatieve Gilde Healthcare IV U.A. exercised a contractual right under the Voting Agreement by designating Mr. Pardo for nomination to our board of directors. The mailing address of Coöperatieve Gilde Healthcare IV U.A. is 222 Third Street, Suite 1321, Cambridge, Massachusetts 02142, c/o Gilde Healthcare Partners.

(9) Consists of 2,000,000 shares of common stock held by Longitude Venture Partners III, L.P. Longitude Capital Partners III, LLC is the General Partner of Longitude Venture Partners III, L.P. and may be deemed to share voting and investment power over the shares held by Longitude Venture Partners III, L.P. Ms. Tammenoms Bakker, who is a member of our board of directors, and Patrick G. Enright are managing members of Longitude Capital Partners III, LLC, and may be deemed to share voting and investment power over the shares held by Longitude Venture Partners III, L.P. Each of these individuals disclaims beneficial ownership of such shares, except to the extent of his or her pecuniary interest therein. As described under "Management—Board Composition and Election of Directors", Longitude Venture Partners III, L.P. exercised a contractual right under the Voting Agreement by designating Ms. Tammenoms Bakker for nomination to our board of directors. The mailing address of Longitude Venture Partners III, L.P. is 2740 Sand Hill Road, 2nd Floor, Menlo Park, California 94025.

(10) Includes 237,100 shares of common stock underlying stock options exercisable within 60 days of June 30, 2018.

(11) See footnote (4) above.

(12) See footnote (9) above.

(13) See footnote (8) above.

(14) See footnote (7) above.

(15) See footnote (6) above.

(16) See footnote (5) above.

(17) Consists of 1,070,000 shares of common stock held by Noble Prestige Holdings Limited. LC Fund V, L.P. is the controlling stockholder of Noble Prestige Holdings Limited. Junfeng Wang is the Managing Director of LC Fund V, L.P. and may be deemed to have voting and dispositive power over the shares held by Noble Prestige Holdings Limited. The mailing address of Noble Prestige Holdings Limited is 10/F, Tower A, Raycom Info Tech Park No. 2 Kexueyuan Nanlu, Zhongguancun Haidaian District, Beijing 100190, P.R.

DESCRIPTION OF CAPITAL STOCK

The following is a summary of the rights of our common stock and preferred stock, certain provisions of our amended and restated certificate of incorporation, or certification of incorporation, and our amended and restated bylaws, or bylaws, as they will be in effect in connection with the completion of this offering, and applicable law. This summary does not purport to be complete and is qualified in its entirety by the provisions of our certificate of incorporation and bylaws, copies of which will be filed as exhibits to the registration statement of which this prospectus forms a part.

General

Upon the completion of this offering, our authorized capital stock will consist of:

- shares of common stock, par value $0.0001 per share; and
- shares of preferred stock, par value $0.0001 per share.

As of June 30, 2018, and after giving effect to the automatic conversion of all of our outstanding preferred stock into common stock, there were outstanding 15,531,621 shares of our common stock held of record by 89 stockholders, 1,187,229 shares of our common stock issuable upon the exercise of outstanding stock options, and 33,334 shares of our common stock issuable upon the exercise of outstanding warrants.

Immediately after the completion of this offering, shares of common stock will be outstanding, assuming the underwriters' option to purchase additional shares is not exercised, and no shares of preferred stock will be outstanding.

Common Stock

The following summarizes the rights of holders of our common stock:

Voting

The holders of our common stock are entitled to one vote per share. The number of authorized shares of common stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of our capital stock entitled to vote, irrespective of the provisions of Section 242(b)(2) of the DGCL.

Dividends

Subject to preferences that may be applicable to the holders of outstanding shares of preferred stock and subject to applicable law, dividends may be declared and paid on the holders of our common stock when and as determined by our board of directors out of assets legally available for dividends.

As a Delaware corporation, we will be subject to certain restrictions on dividends under the DGCL. Generally, a Delaware corporation may only pay dividends either out of "surplus" or out of the current or the immediately preceding year's net profits. Surplus is defined as the excess, if any, at any given time, of the total assets of a corporation over its total liabilities and statutory capital. The value of a corporation's assets can be measured in a number of ways and may not necessarily equal their book value.

Liquidation Rights

Upon our voluntary or involuntary liquidation, dissolution or winding up, after satisfaction of all our liabilities and the payment of any liquidation preference of any outstanding preferred stock, the holders of shares

of common stock will be entitled to share in all of our assets legally remaining for distribution after payment of all debt and other liabilities, subject to preferences that may be applicable to the holders of outstanding shares of preferred stock.

Redemption Rights

There are no redemption or sinking fund provisions applicable to our common stock.

Preemptive Rights and Conversion Rights

There are no preemptive or conversion rights applicable to our common stock.

Preferred Stock

Immediately prior to the closing of this offering, all outstanding shares of our preferred stock will convert into 13,177,211 shares of common stock. See Note 5 to our consolidated financial statements included elsewhere in this prospectus for a description of our currently outstanding preferred stock. Upon the completion of this offering, we will have no shares of our preferred stock outstanding, but our board of directors will be authorized, without further action by our stockholders, to create and issue one or more series of preferred stock and to fix the rights, powers, preferences, and privileges thereof. Among other rights, our board of directors may determine, without further vote or action by our stockholders:

- the number of shares constituting the series and the distinctive designation of the series;
- the dividend rate on the shares of the series, whether dividends will be cumulative, and if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of the series;
- whether the series will have voting rights in addition to the voting rights provided by law and, if so, the terms of the voting rights;
- whether the series will have conversion privileges and, if so, the terms and conditions of conversion;
- whether or not the shares of the series will be redeemable or exchangeable, and, if so, the dates, terms and conditions of redemption or exchange, as the case may be;
- whether the series will have a sinking fund for the redemption or purchase of shares of that series, and, if so, the terms and amount of the sinking fund; and
- the rights of the shares of the series in the event of our voluntary or involuntary liquidation, dissolution or winding up and the relative rights or priority, if any, of payment of shares of the series.

Any future issuance of shares of preferred stock, or the issuance of rights to purchase shares of preferred stock, could, among other things, decrease the amount of earnings and assets available for distribution to the holders of common stock or could adversely affect the rights and powers, including voting rights, of the holders of the common stock.

Options

As of June 30, 2018, options to purchase 1,187,229 shares of common stock were outstanding under the 2014 Plan, of which 414,154 were vested and 873,156 were exercisable as of such date. The difference in the amount of vested and exercisable options as of June 30, 2018 represents the rights of certain of our management to exercise their outstanding stock option awards early.

Warrants

In February 2018, we issued warrants to purchase an aggregate of 33,334 shares of our Series C preferred stock at an exercise price of $9.00 per share, of which warrants to purchase 33,334 shares of our Series C preferred stock remain outstanding as of June 30, 2018. In connection with this offering, these warrants will become exercisable for an aggregate of 33,334 shares of our common stock at an exercise price of $9.00 per share. These warrants may be exercised at any time and from time to time, in whole or in part. Unless earlier exercised, these warrants will expire in February 2028.

Registration Rights

The Rights Agreement grants the parties thereto certain registration rights in respect of "registrable securities" held by them, which securities include (i) shares of our common stock issued or issuable upon conversion of shares of our preferred stock, (ii) shares of our common stock issued as a dividend or other distribution with respect to the shares in the foregoing clause (i), and (iii) shares of our common stock held by AMF as of the date of the Rights Agreement. The registration of shares of our common stock pursuant to the exercise of these registration rights would enable the holders thereof to sell such shares without restriction under the Securities Act when the applicable registration statement is declared effective. Under the Rights Agreement, we generally are required to pay all registration expenses, other than underwriting discounts and commissions, relating to any demand, Form S-3 or piggyback registration by the holders of registrable securities, subject to certain limitations. The Rights Agreement also includes customary indemnification and procedural terms.

Demand Registration Rights

The holders of more than 30% of the registrable securities then outstanding may request that we file a registration statement on Form S-1 registering all or a portion of their registrable securities, provided that we will not be required to effect such registration statement prior to the earlier of (i) March 29, 2021 and (ii) six months after the closing of this offering. Under specified circumstances, we have the right to defer filing of a requested registration statement for a period of not more than 90 days, which right may not be exercised more than once during any twelve-month period. These registration rights are subject to additional conditions and limitations, including the right of the underwriters to limit the number of shares included in any such registration under certain circumstances, and our right to decline to effect such registration if the holders requesting holders propose to sell registrable securities at an aggregate price to the public of less than $10.0 million.

Form S-3 Registration Rights

Following the closing of this offering, if we are eligible to file a registration statement on Form S-3, the holders of the registrable securities then outstanding have the right to request that we file additional unlimited registration statements for such holders on Form S-3. Under specified circumstances, we have the right to defer filing of a requested registration statement for a period of not more than 90 days, which right may not be exercised more than once during any twelve-month period. These registration rights are subject to additional conditions and limitations, including the right of the underwriters to limit the number of shares included in any such registration under certain circumstances, and our right to decline to effect such registration if the holders requesting holders propose to sell registrable securities at an aggregate price to the public of less than $1.0 million.

Piggyback Registration Rights

Whenever we propose to file a registration statement, including pursuant to holders' demand registration rights, under the Securities Act, other than with respect to a registration related to employee benefit or similar plans, conversion of debt securities, corporate reorganizations or other transactions under Rule 145 under the Securities Act, or registrations on any forms which do not include substantially the same information regarding

us as would be required to be included in a registration statement covering the sale of registrable securities, the holders of registrable securities are entitled to notice of the registration and have the right to request that we include their registrable securities in such registration, subject to certain limitations. We and the underwriters will have the right to limit the number of shares having registration rights to be included in the registration statement, including the right to exclude all such stockholder shares from this offering.

Expiration of Registration Rights

The registration rights under the Rights Agreement will expire upon the earlier of (i) the fifth anniversary of the closing of this offering and (ii) with respect to each holder following the closing of this offering, at such time as such holder holds registrable securities constituting less than one percent of our outstanding voting stock if all of such holder's registrable securities may immediately be sold under Rule 144 of the Securities Act during any 90-day period.

Anti-Takeover Effects of Provisions of our Certificate of Incorporation, Bylaws, and Delaware Law

Delaware Anti-Takeover Law

We are subject to Section 203 of the DGCL, or Section 203. Section 203 generally prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the time that such stockholder became an interested stockholder, unless:

- prior to such time the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to such time the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

In general, Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- subject to exceptions, any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or

- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity (other than the corporation and any direct or indirect majority-owned subsidiary of the corporation) or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with, associated with or controlling or controlled by such entity or person.

Certificate of Incorporation and Bylaws

The following provisions of our certificate of incorporation and bylaws may make a change in control of our company more difficult and could delay, defer or prevent a tender offer or other takeover attempt that a stockholder might consider to be in its best interest, including takeover attempts that might result in the payment of a premium to stockholders over the market price for their shares. These provisions also may promote the continuity of our management by making it more difficult for a person to remove or change the incumbent members of our board of directors.

Authorized but Unissued Shares; Undesignated Preferred Stock. The authorized but unissued shares of our common stock will be available for future issuance without stockholder approval, subject to applicable law and the Nasdaq Marketplace Rules. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital, acquisitions, and employee benefit plans. In addition, our board of directors may authorize, without stockholder approval, the issuance of undesignated preferred stock with voting rights or other rights or preferences designated from time to time by our board of directors (including the right to approve an acquisition or other change in our control). The existence of authorized but unissued shares of common stock or preferred stock may enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise.

Election and Removal of Directors. Our board of directors will consist of not less than nor more than directors. The exact number of directors will be fixed from time to time only by a resolution adopted by a majority of the total number of authorized directors, whether or not there exists any vacancies in previously authorized directorships. Our board of directors will initially have members. Our certificate of incorporation will provide that directors may be removed with or without cause and only by the affirmative vote of holders of at least 66 2/3% of our then outstanding voting stock.

Director Vacancies. Our certificate of incorporation will authorize only our board of directors to fill vacant directorships.

No Cumulative Voting. Our certificate of incorporation will provide that stockholders do not have the right to cumulate votes in the election of directors (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose).

Special Meetings of Stockholders. Our certificate of incorporation and bylaws will provide that special meetings of our stockholders may only be called by the Chair of the board, our Chief Executive Officer or by our board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors, whether or not there exist any vacancies in previously authorized directorships.

Advance Notice Procedures for Director Nominations. Our bylaws will establish advance notice procedures for stockholders seeking to nominate candidates for election as directors at an annual or special meeting of stockholders. Although our bylaws will not give the board of directors the power to approve or disapprove stockholder nominations of candidates to be elected at an annual meeting, our bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of us.

Action by Written Consent. Our certificate of incorporation and bylaws will provide that any action required or permitted to be taken by the stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by any consent in writing in lieu of a meeting of such stockholders, subject to the rights of the holders of any series of preferred stock.

Amending Our Certificate of Incorporation and Bylaws. Our certificate of incorporation and bylaws may be amended by the affirmative vote of the holders of at least 66 2/3% of the voting power of our then-outstanding capital stock entitled to vote thereon.

Exclusive Jurisdiction. Our certificate of incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of duty by any of our current or former directors or officers, or our stockholders in such capacity, any action asserting a claim arising pursuant to the DGCL, or any action asserting a claim governed by the internal affairs doctrine. In addition, our certificate of incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the U.S. District Court for the District of Delaware shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

Conflicts of Interest

Delaware law permits corporations to adopt provisions renouncing any interest or expectancy in certain opportunities that are presented to the corporation or its officers, directors or stockholders. Our certificate of incorporation will, to the maximum extent permitted from time to time by Delaware law, renounce any interest or expectancy that we have in, or right to be offered an opportunity to participate in, specified business opportunities that are from time to time presented to our officers, directors or stockholders or their respective affiliates, other than those officers, directors, stockholders or affiliates who are our employees. Our certificate of incorporation will provide that, to the fullest extent permitted by law, no director who is not employed by us or his or her affiliates will have any duty to refrain from (i) engaging in a corporate opportunity in the same or similar lines of business in which we or our affiliates now engage or propose to engage or (ii) otherwise competing with us or our affiliates. In addition, to the fullest extent permitted by law, in the event that any non-employee director acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for itself or himself or its or his affiliates or for us or our affiliates, such person will have no duty to communicate or offer such transaction or business opportunity to us or any of our affiliates and they may take any such opportunity for themselves or offer it to another person or entity. Our certificate of incorporation will not renounce our interest in any business opportunity that is expressly offered to a non-employee director solely in his or her capacity as a director of our company. To the fullest extent permitted by law, no business opportunity will be deemed to be a potential corporate opportunity for us unless we would be permitted to undertake the opportunity under our certificate of incorporation, we have sufficient financial resources to undertake the opportunity and the opportunity would be in line with our business.

Nasdaq Global Market Listing

We have applied to list our common stock on the Nasdaq Global Market under the symbol “AXNX.”

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A. The transfer agent and registrar’s address is 250 Royall Street, Canton, Massachusetts 02021.

SHARES ELIGIBLE FOR FUTURE SALE

Immediately prior to this offering, there has been no public market for our common stock. Future sales of substantial amounts of common stock in the public market could adversely affect prevailing market prices. Furthermore, since only a limited number of shares will be available for sale shortly after this offering because of contractual and legal restrictions on resale described below, sales of substantial amounts of common stock in the public market after the restrictions lapse could adversely affect the prevailing market price for our common stock as well as our ability to raise equity capital in the future.

Based on the number of shares outstanding as of June 30, 2018, upon completion of this offering, we will have outstanding an aggregate shares of common stock (or shares if the underwriters exercise in full their option to purchase additional shares of our common stock). This includes shares of common stock that we are selling in this offering, which shares may be resold in the public market immediately following this offering, and assumes (i) the automatic exchange of the exchanged preferred stock immediately prior to the completion of this offering, (ii) the automatic conversion of all outstanding shares of our preferred stock, including the exchanged preferred stock, into 13,177,211 shares of our common stock upon completion of this offering, and (iii) no exercise of outstanding stock options or warrants prior to completion of this offering.

The remaining shares of common stock that were not offered and sold in this offering, and shares subject to outstanding stock options will be "restricted securities," as that term is defined in Rule 144 under the Securities Act. All of these restricted securities will be subject to the 180-day lock-up period described below. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which are summarized below, or any other exemption and, if subject to lock-up agreements, may only be sold after the expiration of the 180-day lock-up period.

Rule 144

In general, under Rule 144 as currently in effect, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, any person who is not an affiliate of ours and has held their shares for at least six months, including the holding period of any prior owner other than one of our affiliates, may sell shares without restriction, provided current public information about us is available. In addition, under Rule 144, any person who is not an affiliate of ours and has held their shares for at least one year, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell an unlimited number of shares immediately upon the completion of this offering without regard to whether current public information about us is available. Beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is an affiliate of ours and who has beneficially owned restricted securities for at least six months, including the holding period of any prior owner other than one of our affiliates, is entitled to sell a number of restricted shares within any three-month period that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering; or
- the average weekly trading volume of our common stock on Nasdaq during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales of restricted shares under Rule 144 held by our affiliates are also subject to requirements regarding the manner of sale, notice and the availability of current public information about us. Rule 144 also provides that affiliates relying on Rule 144 to sell shares of our common stock that are not restricted shares must nonetheless comply with the same restrictions applicable to restricted shares, other than the holding period requirement.

Notwithstanding the availability of Rule 144, the holders of substantially all of our shares have entered into lock-up agreements as described below and their restricted shares will become eligible for sale at the expiration of the restrictions set forth in those agreements.

Rule 701

Under Rule 701, shares of our common stock acquired upon the exercise of currently outstanding stock options or pursuant to other rights granted under the 2014 Plan may be resold by:

- persons other than affiliates, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, subject only to the manner-of-sale provisions of Rule 144; and
- our affiliates, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, subject to the manner-of-sale and volume limitations, current public information and filing requirements of Rule 144, in each case, without compliance with the six-month holding period requirement of Rule 144.

As of June 30, 2018, options to purchase 1,187,229 shares of common stock were outstanding under the 2014 Plan, of which 414,154 were vested and 873,156 were exercisable as of such date. The difference in the amount of vested and exercisable options as of June 30, 2018 represents the rights of certain of our management to exercise their outstanding stock option awards early. Of the total number of shares of our common stock issuable under these options, substantially all are subject to contractual lock-up agreements with us or the underwriters described below and will become eligible for sale at the expiration of those agreements unless held by an affiliate of ours.

Lock-Up Agreements

We, along with our directors, executive officers and all our other existing stockholders have agreed that for a period of 180 days after the date of this prospectus, subject to certain exceptions, we or they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock without the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC. See “Underwriting” for a more complete description of the lock-up agreements that we, our directors, executive officers, our stockholders and all of our optionholders will enter into in connection with this offering.

Equity Incentive Plans

We intend to file with the SEC a registration statement on Form S-8 under the Securities Act covering the shares of common stock reserved for issuance under the 2014 Plan and 2018 Plan. The registration statement is expected to be filed and become effective as soon as practicable after the completion of this offering. Accordingly, shares registered under the registration statement will be available for sale in the open market following its effective date, subject to Rule 144 volume limitations and the lock-up agreements described above, if applicable.

Registration Rights

Upon the closing of this offering, the holders of 13,917,211 shares of our common stock, including shares of our common stock issuable upon the conversion of all outstanding shares of our preferred stock, including the exchange shares, immediately prior to the closing of this offering, or their transferees will, subject to any lock-up agreements they have entered into, be entitled to various rights with respect to the registration of these shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates. See “Description of Capital Stock—Registration Rights” for additional information. Shares covered by a registration statement will be eligible for sale in the public market upon the expiration or release from the terms of the lock-up agreement.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF OUR COMMON STOCK

The following discussion describes the material U.S. federal income tax considerations for Non-U.S. Holders (as defined below) with respect to the acquisition, ownership and disposition of our common stock acquired in this offering. This discussion does not address all aspects of U.S. federal income tax law that may be relevant to Non-U.S. Holders in light of their particular circumstances, nor does it address any U.S. federal estate or gift tax, or any state, local or non-U.S. tax consequences or U.S. federal tax consequences other than income taxes. Non-U.S. Holders should consult their tax advisors as to these matters. Rules different from those described below may apply to certain Non-U.S. Holders that are subject to special treatment under the Code such as:

- banks, financial institutions, or insurance companies;
- tax-exempt organizations;
- tax-qualified retirement plans;
- broker-dealers and traders in securities, commodities or currencies;
- certain former citizens or long-term residents of the United States;
- persons that own, or are deemed to own, more than five percent of our common stock (except to the extent specifically set forth below);
- regulated investment companies or real estate investment trusts;
- “controlled foreign corporations,” “passive foreign investment companies,” or corporations that accumulate earnings to avoid U.S. federal income tax;
- persons that hold our common stock as part of a “straddle,” “hedge,” “conversion transaction,” “synthetic security” or other integrated investment or risk reduction strategy;
- holders deemed to sell our common stock under the constructive sale provisions of the Code;
- holders who hold or receive our common stock pursuant to the exercise of employee stock options or otherwise as compensation;
- holders who are subject to the alternative minimum tax or Medicare contribution tax; or
- partnerships and other pass-through entities or arrangements, and investors in such pass-through entities or entities that are treated as disregarded entities for U.S. federal income tax purposes (regardless of their places of organization or formation).

Such Non-U.S. Holders are urged to consult their own tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them. Furthermore, the discussion below is based upon the provisions of the Code, and Treasury regulations, published administrative pronouncements, rulings and judicial decisions thereunder as of the date hereof. Such authorities may be repealed, revoked or modified, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the IRS with respect to the statements made and the conclusions reached in the following summary. In addition, the IRS could challenge one or more of the tax consequences described herein. This discussion assumes that the Non-U.S. Holder holds our common stock as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment).

The following discussion is for general information only and is not tax advice for any Non-U.S. Holders under their particular circumstances. Persons considering the purchase of our common stock pursuant to this offering should consult their own tax advisors concerning the U.S. federal income tax consequences of acquiring, owning and disposing of our common stock in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction or under any applicable tax treaty, including any state, local and non-U.S. tax consequences and any U.S. federal non-income tax consequences.

For the purposes of this discussion, a "Non-U.S. Holder" is, for U.S. federal income tax purposes, a beneficial owner of our common stock that is not a U.S. Holder. A "U.S. Holder" means a beneficial owner of our common stock that is, for U.S. federal income tax purposes, (a) an individual who is a citizen or resident of the United States, (b) a corporation or other entity treated as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (d) a trust if it (1) is subject to the primary supervision of a court within the United States and one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code) have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person. Also, partnerships, or other entities or arrangements that are treated as partnerships for U.S. federal income tax purposes (regardless of their place of organization or formation) and entities that are treated as disregarded entities for U.S. federal income tax purposes (regardless of their place of organization or formation), are not addressed by this discussion and are, therefore, not considered to be Non-U.S. Holders for the purposes of this discussion. Accordingly, partnerships holding our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

Distributions on Our Common Stock

As described in the section entitled "Dividend Policy," we do not anticipate declaring or paying dividends to holders of our common stock in the foreseeable future. However, distributions of cash or property, if any, made on our common stock to a Non-U.S. Holder of our common stock generally will constitute dividends for U.S. federal income tax purposes to the extent made out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles) and will be subject to withholding tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. To obtain a reduced rate of withholding under a treaty, a Non-U.S. Holder generally will be required to provide us with a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E, or other appropriate form, certifying the Non-U.S. Holder's entitlement to benefits under that treaty. In the case of a Non-U.S. Holder that is an entity, Treasury regulations and the relevant tax treaty provide rules to determine whether, for purposes of determining the applicability of a tax treaty, dividends will be treated as paid to the entity or to those holding an interest in that entity. If a Non-U.S. Holder holds stock through a financial institution or other agent acting on the holder's behalf, the holder will be required to provide appropriate documentation to such agent. The holder's agent will then be required to provide certification to the applicable withholding agent, either directly or through other intermediaries. If you are eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty, you should consult with your tax advisor to determine if you are able to obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim for a refund with the IRS.

We generally are not required to withhold tax on dividends paid to a Non-U.S. Holder that are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment that such holder maintains in the United States) if a properly executed IRS Form W-8ECI, stating that the dividends are so connected, is furnished to us (or, if stock is held through a financial institution or other agent, to such agent). In general, such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular graduated U.S. federal income tax rates, unless a specific treaty exemption applies. A corporate Non-U.S. Holder receiving effectively connected dividends may also be subject to an additional "branch profits tax," which is imposed, under certain circumstances, at a rate of 30% (or such lower rate as may be specified by

an applicable treaty) on the corporate Non-U.S. Holder's effectively connected earnings and profits, subject to certain adjustments.

To the extent distributions on our common stock, if any, exceed our current and accumulated earnings and profits, they will first reduce your adjusted basis in our common stock as a non-taxable return of capital, but not below zero, and then any excess will be treated as gain and taxed in the same manner as gain realized from a sale or other disposition of common stock as described in the next section.

Gain on Disposition of Our Common Stock

Subject to the discussion below regarding backup withholding and foreign accounts, a Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to gain realized on a sale or other disposition of our common stock unless (a) the gain is effectively connected with a trade or business of such holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment that such holder maintains in the United States), (b) the Non-U.S. Holder is a nonresident alien individual and is present in the United States for 183 or more days in the taxable year of the disposition and certain other conditions are met, or (c) we are or have been a United States real property holding corporation, or a USRPHC, within the meaning of Code Section 897(c)(2) at any time within the shorter of the five-year period preceding such disposition or such holder's holding period for the relevant shares of our common stock. In the case of gain described in (a) above, a Non-U.S. Holder generally will be required to pay tax on the net gain derived from the sale at regular graduated U.S. federal income tax rates, unless a specific treaty exemption applies, and a corporate Non-U.S. Holder may be subject to the additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. An individual Non-U.S. Holder described in (b) above generally will be subject to U.S. federal income tax at a rate of 30% on the gain derived from the sale (or such lower rate as may be specified by an applicable income tax treaty), which gain may be offset by certain of the Non-U.S. Holder's U.S. source capital losses (even though the Non-U.S. Holder is not considered a resident of the United States), provided the Non-U.S. Holder timely files U.S. federal income tax returns with respect to such losses. With respect to (c) above, in general, we would be a USRPHC if our interests in U.S. real property interests constituted (by fair market value) at least half of our assets. We believe that we are not, and do not anticipate becoming, a USRPHC; however, there can be no assurance that we will not become a USRPHC in the future. Even if we are treated as a USRPHC, gain realized by a Non-U.S. Holder on a disposition of our common stock will not be subject to U.S. federal income tax so long as (1) the Non-U.S. Holder owned, directly, indirectly and constructively, no more than 5% of our common stock at all times within the shorter of (a) the five-year period preceding the disposition or (b) the holder's holding period for the relevant shares of our common stock and (2) our common stock is "regularly traded," as defined by applicable Treasury regulations, on an established securities market. There can be no assurance that our common stock will qualify as regularly traded on an established securities market.

Information Reporting Requirements and Backup Withholding

Generally, we or certain financial middlemen must report information to the IRS with respect to any dividends we pay on our common stock, including the amount of any such dividends, the name and address of the recipient, and the amount, if any, of tax withheld. A similar report is sent to the holder to whom any such dividends are paid. Pursuant to tax treaties or certain other agreements, the IRS may make its reports available to tax authorities in the recipient's country of residence.

Dividends paid by us (or our paying agents) to a Non-U.S. Holder may also be subject to U.S. backup withholding. U.S. backup withholding generally will not apply to a Non-U.S. Holder that provides a properly executed IRS Form W-8BEN, IRS Form W-8BEN-E, or other appropriate form, or otherwise establishes an exemption.

Under current U.S. federal income tax law, U.S. information reporting and backup withholding requirements generally will apply to the proceeds of a disposition of our common stock effected by or through a

U.S. office of any broker, U.S. or non-U.S., unless the holder provides a properly executed IRS Form W-8BEN, IRS Form W-8BEN-E, IRS Form W-8ECI or other appropriate form, or otherwise establishes an exemption. Generally, U.S. information reporting and backup withholding requirements will not apply to a payment of disposition proceeds to a Non-U.S. Holder where the transaction is effected outside the United States through a non-U.S. office of a non-U.S. broker. For information reporting purposes, certain brokers with substantial U.S. ownership or operations will generally be treated in a manner similar to U.S. brokers.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. Non-U.S. Holders you should consult with their tax advisors to determine if they are eligible to obtain a tax refund or credit with respect to amounts withheld under the backup withholding rules.

Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such sections are commonly referred to as the Foreign Account Tax Compliance Act, or FATCA) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a U.S. federal withholding tax of 30% may apply to dividends on, and the gross proceeds of, a disposition of our common stock paid to a foreign financial institution (as specifically defined by applicable rules), including when the foreign financial institution holds our common stock on behalf of a Non-U.S. Holder, unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which may include certain equity holders of such institution, as well as certain account holders that are foreign entities with U.S. owners). Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing these withholding and reporting requirements may be subject to different rules. FATCA withholding tax will also apply to dividends on, and the gross proceeds of, a disposition of our common stock paid to a non-financial foreign entity (as specifically defined by applicable rules) unless such entity provides the withholding agent with either a certification that it does not have any substantial direct or indirect U.S. owners or provides information regarding direct and indirect U.S. owners of the entity. Withholding under FATCA will not apply if the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from the rules.

Under certain circumstances, a Non-U.S. Holder might be eligible for refunds or credits of such taxes. Holders are encouraged to consult with their own tax advisors regarding the possible implications of FATCA on their investment in our common stock.

The withholding provisions described in the preceding paragraph will generally apply to payments of dividends and will begin to apply to payments of gross proceeds from a sale or other disposition of our common stock on or after January 1, 2019.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF OUR COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAW, AS WELL AS TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL, NON-U.S. OR U.S. FEDERAL NON- INCOME TAX LAWS.

UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of shares of common stock set forth opposite its name below.

Underwriter	Number of Shares
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Morgan Stanley & Co. LLC	
Wells Fargo Securities, LLC	
SunTrust Robinson Humphrey, Inc.	
Total	

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the underwriting agreement if any of these shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares.

	Per Share	Without Option	With Option
Public offering price	$	$	$
Underwriting discount	$	$	$
Proceeds, before expenses, to us	$	$	$

The expenses of the offering, not including the underwriting discount, are estimated at $ and are payable by us. We have also agreed to reimburse the underwriters for their expenses relating to clearance of this offering with the Financial Industry Regulatory Authority in an amount up to $.

Option to Purchase Additional Shares

We have granted an option to the underwriters, exercisable for 30 days after the date of this prospectus, to purchase up to additional shares at the public offering price, less the underwriting discount. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares proportionate to that underwriter's initial amount reflected in the above table.

Reserved Shares

At our request, the underwriters have reserved for sale, at the initial public offering price, up to % of the shares offered by this prospectus for sale to certain of our directors, officers, employees, business associates and related persons through a reserved share program. If these persons purchase reserved shares, this will reduce the number of shares available for sale to the general public. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus. We have agreed to reimburse the underwriters for certain fees and expenses in connection with this reserved shares program, including the fees and disbursements of counsel to the underwriters, up to an amount not to exceed $.

No Sales of Similar Securities

We, our executive officers and directors and our other existing security holders have agreed not to sell or transfer any common stock or securities convertible into, exchangeable for, exercisable for, or repayable with common stock, for 180 days after the date of this prospectus without first obtaining the written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC. Specifically, we and these other persons have agreed, subject to certain exceptions, not to directly or indirectly:

- offer, pledge, sell or contract to sell any common stock,
- sell any option or contract to purchase any common stock,
- purchase any option or contract to sell any common stock,
- grant any option, right or warrant for the sale of any common stock,
- lend or otherwise dispose of or transfer any common stock,
- request or demand that we file a registration statement or make a confidential submission related to the common stock,
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise, or
- publicly disclose the intention to do any of the foregoing.

This lock-up provision applies to common stock and to securities convertible into or exchangeable or exercisable for or repayable with common stock. It also applies to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above

in whole or in part at any time with or without notice. In addition, in the event that any stockholder holding in excess of 5% of our outstanding shares of capital stock, or a Major Holder, is granted an early release from the lock-up restrictions with respect to our securities in an aggregate amount in excess of 1% of our issued and outstanding shares of capital stock (whether in one or multiple releases), then each other Major Holder automatically will be granted an equivalent early release from its obligations under the lock-up agreement on a pro rata basis. Such release shall not be applicable in the event of an underwritten primary or secondary public offering or sale of our common stock during the period ending 180 days after the date of this prospectus. Notwithstanding any other provisions of the lock-up agreement, if Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC, in their reasonable judgment, after consultation with us, determine that a stockholder should be granted an early release from the lock-up agreement due to circumstances of an emergency or hardship, then no other Major Holder shall have any right to be granted an early release from the lock-up agreement.

Nasdaq Global Market Listing

We expect the shares to be approved for listing on the Nasdaq Global Market, subject to notice of issuance, under the symbol “AXNX.”

Before this offering, there has been no public market for our common stock. The initial public offering price will be determined through negotiations between us and the representatives. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are:

- the valuation multiples of publicly traded companies that the representatives believe to be comparable to us,
- our financial information,
- the history of, and the prospects for, our company and the industry in which we compete,
- an assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenues,
- the present state of our development, and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the shares may not develop. It is also possible that after the offering the shares will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the shares in the aggregate to accounts over which they exercise discretionary authority.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the representatives may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by

short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. “Covered” short sales are sales made in an amount not greater than the underwriters’ option to purchase additional shares described above. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option granted to them. “Naked” short sales are sales in excess of such option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the underwriters’ purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the Nasdaq Global Market, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Distribution

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

Other Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area, no offer of ordinary shares which are the subject of the offering has been, or will be made to the public in that Member State, other than under the following exemptions under the Prospectus Directive:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of ordinary shares referred to in (a) to (c) above shall result in a requirement for the Company or any representative to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person located in a Member State to whom any offer of ordinary shares is made or who receives any communication in respect of an offer of ordinary shares, or who initially acquires any ordinary shares will be deemed to have represented, warranted, acknowledged and agreed to and with each representative and the Company that (1) it is a "qualified investor" within the meaning of the law in that Member State implementing Article 2(1)(e) of the Prospectus Directive; and (2) in the case of any ordinary shares acquired by it as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, the ordinary shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the representatives has been given to the offer or resale; or where ordinary shares have been acquired by it on behalf of persons in any Member State other than qualified investors, the offer of those ordinary shares to it is not treated under the Prospectus Directive as having been made to such persons.

We, the representatives and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgments and agreements.

This prospectus has been prepared on the basis that any offer of shares in any Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly, any person making or intending to make an offer in that Member State of shares which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for the Company or any of the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the representatives have authorized, nor do they authorize, the making of any offer of shares in circumstances in which an obligation arises for the Company or the representatives to publish a prospectus for such offer.

For the purposes of this provision, the expression an "offer of ordinary shares to the public" in relation to any ordinary shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the ordinary shares to be offered so as to enable an investor to decide to purchase or subscribe the ordinary shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in each Member State.

The above selling restriction is in addition to any other selling restrictions set out below.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the Order, and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as the relevant persons). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or the SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, or FINMA, and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or the CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority, or DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Notice to Prospective Investors in Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, or the ASIC, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001, or the Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons, or the Exempt Investors, who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional

investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Notice to Prospective Investors in Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to Prospective Investors in Japan

The shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notice to Prospective Investors in Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

LEGAL MATTERS

The validity of the shares of common stock being offered by this prospectus will be passed upon for us by K&L Gates LLP, Irvine, California. Certain legal matters will be passed upon for the underwriters by Shearman & Sterling LLP, New York, New York.

EXPERTS

The consolidated financial statements as of and for the years ended December 31, 2017 and 2016 included in this prospectus and in the registration statement have been so included in reliance on the report of BDO USA, LLP, an independent registered public accounting firm, appearing elsewhere herein and in the registration statement, given on the authority of said firm as experts in auditing and accounting.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On August 29, 2018, we dismissed Peterson Sullivan LLP, or Peterson Sullivan, as our independent registered public accounting firm. This dismissal has been ratified by the audit committee of our board of directors.

Peterson Sullivan audited our consolidated financial statements for the years ended December 31, 2017 and 2016. The audit report issued by Peterson Sullivan on June 15, 2018, did not contain an adverse opinion or a disclaimer of opinion and was not qualified or modified as to uncertainty, audit scope, or accounting principles. Peterson Sullivan did not provide an audit opinion on our consolidated financial statements for any period subsequent to the year ended December 31, 2017.

During the years ended December 31, 2017 and 2016, and the subsequent interim period through August 29, 2018, (i) there were no “disagreements” between us and Peterson Sullivan (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K) on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Peterson Sullivan, would have caused them to make reference to the subject matter of the disagreements in connection with their report on the financial statements for such year, and (ii) there were no “reportable events” as such term is defined in Item 304(a)(1)(v) of Regulation S-K.

We provided Peterson Sullivan with a copy of the foregoing disclosures and requested Peterson Sullivan to furnish us with a letter addressed to the SEC stating whether or not Peterson Sullivan agrees with the above disclosures. A copy of Peterson Sullivan’s letter is filed as Exhibit 16.1 to the registration statement of which this prospectus is a part.

On August 31, 2018, we engaged BDO USA, LLP, or BDO, as our independent registered public accounting firm, which engagement has been ratified by the audit committee of our board of directors. During the fiscal years ended December 31, 2017 and 2016 and the subsequent interim period through August 31, 2018, we (or any person on our behalf) did not consult with BDO regarding any of the matters described in Items 304(a)(2)(i) or 304(a)(2)(ii) of Regulation S-K.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement and its exhibits. For further information with respect to us and the common stock offered hereby, we refer you to the registration statement and the exhibits and schedules filed thereto. Statements contained in this prospectus regarding the

contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. Upon completion of this offering, we will be required to file periodic reports, proxy statements and other information with the SEC pursuant to the Exchange Act. You may read and copy this information at the Public Reference Room of the SEC, 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website that contains reports, proxy statements and other information about registrants, like us, that file electronically with the SEC. The address of that site is http://www.sec.gov. We also maintain a website at www.axonicsmodulation.com, at which, following the completion of this offering, you may access our SEC filings free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. The information contained in, or that can be accessed through, our website is not incorporated by reference in, and is not part of, this prospectus. You may also request a copy of these filings, at no cost, by writing us at 26 Technology Drive, Irvine, California, 92618, Attention: Senior Vice President and General Counsel, or telephoning us at (949) 396-6322.

Axonics Modulation Technologies, Inc.

Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
Axonics Modulation Technologies, Inc.
Irvine, California

Opinion on the Consolidated Financial Statements

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

Restatement to Correct 2017 and 2016 Misstatements

As discussed in Note 10 to the consolidated financial statements, the 2017 and 2016 consolidated financial statements have been restated to correct for misstatements.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ BDO USA, LLP

We have served as the Company's auditor since 2018.

Costa Mesa, California

October 5, 2018

Axonics Modulation Technologies, Inc.

Consolidated Balance Sheets

ASSETS	December 31, 2017 (restated)	December 31, 2016 (restated)	June 30, 2018 (unaudited, restated)
Current Assets			
Cash and cash equivalents	$ 24,397,548	$ 8,208,663	$ 24,729,223
Short-term investments	—	—	15,152,247
Accounts receivable	—	—	13,641
Inventory	1,541,325	—	1,913,244
Prepaid expenses and other current assets	979,668	520,181	1,621,363
Total current assets	26,918,541	8,728,844	43,429,718
Property and equipment, net	1,530,389	1,167,315	1,458,946
Intangible asset, net	540,687	655,515	483,272
Other assets	422,057	304,327	427,744
Total assets	$ 29,411,674	$ 10,856,001	$ 45,799,680
LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' DEFICIT			
Current Liabilities			
Accounts payable	$ 1,615,722	$ 630,306	$ 2,087,404
Accrued liabilities	789,296	854,688	2,899,055
Total current liabilities	2,405,018	1,484,994	4,986,459
Lease liability, net of current portion	134,986	301,512	53,087
Debt, net of unamortized debt issuance costs	—	—	8,984,902
Total liabilities	2,540,004	1,786,506	14,024,448
Mezzanine Equity			
Convertible Preferred Stock			
Series A Convertible Preferred Stock, par value $0.0001, 1,030,000 shares authorized, 719,500 shares issued and outstanding at December 31, 2017 and 2016 and at June 30, 2018 (unaudited, restated); aggregate liquidation preference of $15,829,000 at December 31, 2017 and June 30, 2018 (unaudited, restated)	14,020,451	14,020,451	14,020,451
Series B-1 Convertible Preferred Stock, par value $0.0001, 2,529,862 shares authorized, 1,925,302 shares issued and outstanding at December 31, 2017 and 2016 and at June 30, 2018 (unaudited, restated); aggregate liquidation preference of $15,248,392 at December 31, 2017 and June 30, 2018 (unaudited, restated)	13,757,424	13,757,424	13,757,424
Series B-2 Convertible Preferred Stock, par value $0.0001, 2,537,231 shares authorized, 2,213,794 shares issued and outstanding at December 31, 2017 and 2016 and at June 30, 2018 (unaudited, restated); aggregate liquidation preference of $19,481,387 at December 31, 2017 and June 30, 2018 (unaudited, restated)	17,572,351	17,572,351	17,572,351
Series C Convertible Preferred Stock, par value $0.0001, 3,888,889 shares authorized at December 31, 2017 and 2016, 6,188,888 shares authorized at June 30, 2018 (unaudited, restated); 1,898,213, 0, and 4,131,546 shares issued and outstanding at December 31, 2017, December 31, 2016, and at June 30, 2018 (unaudited, restated), respectively; aggregate liquidation preference of $17,083,917 at December 31, 2017 and $37,183,914 at June 30, 2018 (unaudited, restated)	16,875,554	—	36,776,198
Noncontrolling interest in Axonics Europe, S.A.S.	31,066,420	13,150,330	31,066,420
Stockholders' Deficit			
Common Stock, par value $0.0001, 15,000,000 shares authorized at December 31, 2017 and 2016; 17,500,000 authorized at June 30, 2018 (unaudited); 2,313,810, 1,941,341 and 2,354,410 shares issued and outstanding at December 31, 2017, December 31 2016, and June 30, 2018 (unaudited), respectively	232	195	236
Additional paid-in capital	2,900,465	1,842,793	3,229,608
Stock subscription receivable	(1,752,700)	(1,178,404)	(1,823,670)
Accumulated deficit	(67,165,950)	(49,105,092)	(82,418,282)
Accumulated other comprehensive loss	(402,577)	(990,553)	(405,504)
Total stockholders' deficit	(66,420,530)	(49,431,061)	(81,417,612)
Total liabilities, mezzanine equity and stockholders' deficit	$ 29,411,674	$ 10,856,001	$ 45,799,680

See accompanying notes to consolidated financial statements.

Axonics Modulation Technologies, Inc.

Consolidated Statements of Comprehensive Loss

	Years Ended December 31,		Six Months Ended June 30,	
	2017	2016	2018 (unaudited)	2017 (unaudited)
Net revenue	$ 128,118	$ —	$ 12,239	$ —
Cost of goods sold	117,944	—	5,354	—
Gross profit	10,174	—	6,885	—
Operating Expenses				
Research and development	12,332,046	12,510,280	10,721,150	5,826,504
General and administrative	4,822,541	4,457,275	3,070,531	2,417,413
Sales and marketing	1,029,915	516,076	1,359,642	398,636
Total operating expenses	18,184,502	17,483,631	15,151,323	8,642,553
Loss from operations	(18,174,328)	(17,483,631)	(15,144,438)	(8,642,553)
Other Income (Expense)				
Interest income	200,579	84,020	275,732	41,511
Interest expense	—	—	(377,965)	—
Loss on disposal of property and equipment	(65,397)	—	—	—
State income tax expense	(890)	(800)	(800)	(800)
Other expense	(20,822)	(291)	(4,861)	(5,203)
Net loss	**(18,060,858)**	**(17,400,702)**	**(15,252,332)**	**(8,607,045)**
Foreign currency translation adjustment	587,976	(291)	(2,927)	68,867
Comprehensive loss	**$ (17,472,882)**	**$ (17,400,993)**	**$ (15,255,259)**	**$ (8,538,178)**
Net loss per share, basic and diluted (see Note 1)	**$ (8.45)**	**$ (9.03)**	**$ (6.51)**	**$ (4.32)**
Weighted-average shares used to compute basic and diluted net loss per share (see Note 1)	**2,137,463**	**1,927,936**	**2,342,643**	**1,990,885**
Pro forma net loss per share, basic and diluted (see Note 1) (unaudited)	**$ (1.18)**		**$ (0.98)**	
Pro forma weighted-average shares used to compute basic and diluted net loss per share (see Note 1) (unaudited)	**15,314,674**		**15,519,854**	

See accompanying notes to consolidated financial statements.

Axonics Modulation Technologies, Inc.

Consolidated Statements of Mezzanine Equity (restated)

	Series A Convertible Preferred Stock		Series B-1 Convertible Preferred Stock		Series B-2 Convertible Preferred Stock		Series C Convertible Preferred Stock		Noncontrolling Interest	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount		
Balance at December 31, 2015	719,500	$14,020,451	1,925,302	$13,757,424	2,010,669	$15,947,351	—	$ —	$ 13,150,330	$ 56,875,556
Issuance of Series B-2 Preferred Stock at $8.00 per share for cash	—	—	—	—	203,125	1,625,000	—	—	—	1,625,000
Balance at December 31, 2016	719,500	14,020,451	1,925,302	13,757,424	2,213,794	17,572,351	—	—	13,150,330	58,500,556
Issuance of Series C Preferred Stock at $9.00 per share for cash, net of issuance costs of $208,357	—	—	—	—	—	—	1,898,213	16,875,554	17,916,090	34,791,644
Balance at December 31, 2017	719,500	14,020,451	1,925,302	13,757,424	2,213,794	17,572,351	1,898,213	16,875,554	31,066,420	93,292,200
Issuance of Series C Preferred Stock at $9.00 per share for cash, net of issuance costs of $199,353 (unaudited)	—	—	—	—	—	—	2,233,333	19,900,644	—	19,900,644
Balance at June 30, 2018 (unaudited)	719,500	$14,020,451	1,925,302	$13,757,424	2,213,794	$17,572,351	4,131,546	$36,776,198	$ 31,066,420	$113,192,844

See accompanying notes to consolidated financial statements.

Axonics Modulation Technologies, Inc.

Consolidated Statements of Stockholders' Deficit (restated)

	Common Stock		Additional Paid-In Capital	Stock Subscriptions Receivable	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount					
Balance at December 31, 2015	1,269,347	$ 127	$ 735,151	$ (392,170)	$ (31,704,390)	$ (990,262)	$ (32,351,544)
Issuance of Common Stock for employee stock option exercises for promissory notes at $1.17 per share	671,994	68	786,166	(786,234)	—	—	—
Stock-based compensation	—	—	321,476	—	—	—	321,476
Foreign currency translation adjustment	—	—	—	—	—	(291)	(291)
Net loss	—	—	—	—	(17,400,702)	—	(17,400,702)
Balance at December 31, 2016	1,941,341	195	1,842,793	(1,178,404)	(49,105,092)	(990,553)	(49,431,061)
Issuance of Common Stock for employee stock option exercises for promissory notes	353,984	35	574,261	(574,296)	—	—	—
Issuance of Common Stock for employee stock option exercises for cash	18,485	2	22,181	—	—	—	22,183
Stock-based compensation	—	—	461,230	—	—	—	461,230
Foreign currency translation adjustment	—	—	—	—	—	587,976	587,976
Net loss	—	—	—	—	(18,060,858)	—	(18,060,858)
Balance at December 31, 2017	2,313,810	232	2,900,465	(1,752,700)	(67,165,950)	(402,577)	(66,420,530)
Issuance of Common Stock for employee stock option exercises for promissory notes (unaudited)	40,600	4	70,966	(70,970)	—	—	—
Stock-based compensation (unaudited)	—	—	258,177	—	—	—	258,177
Foreign currency translation adjustment (unaudited)	—	—	—	—	—	(2,927)	(2,927)
Net loss (unaudited)	—	—	—	—	(15,252,332)	—	(15,252,332)
Balance at June 30, 2018 (unaudited)	2,354,410	$ 236	$ 3,229,608	$ (1,823,670)	$ (82,418,282)	$ (405,504)	$ (81,417,612)

See accompanying notes to consolidated financial statements.

Axonics Modulation Technologies, Inc.

Consolidated Statements of Cash Flows

	Years Ended December 31,		Six Months Ended June 30,	
	2017	2016	2018 (unaudited)	2017 (unaudited)
Cash Flows from Operating Activities				
Net loss	$ (18,060,858)	$ (17,400,702)	$ (15,252,332)	$ (8,607,045)
Adjustments to reconcile net loss to net cash used in operating activities				
Depreciation and amortization	725,394	625,117	427,586	334,746
Loss on disposal of property and equipment	65,397	—	—	—
Stock-based compensation	461,230	321,476	258,177	195,946
Amortization of debt issuance costs	—	—	118,036	—
Changes in operating assets and liabilities				
Accounts receivable	—	—	(13,641)	—
Inventory	(1,541,325)	—	(371,919)	(591,169)
Prepaid expenses and other current assets	(459,487)	(131,039)	(641,695)	(378,288)
Other assets	(198,956)	(50,952)	(41,357)	(27,219)
Accounts payable	985,416	(1,016,893)	471,682	453,458
Accrued liabilities	(52,374)	398,463	1,121,752	240,155
Deferred rent, noncurrent portion	(98,318)	(80,726)	—	(44,028)
Lease liability	—	—	(48,426)	—
Net cash used in operating activities	(18,173,881)	(17,335,256)	(13,972,137)	(8,423,444)
Cash Flows from Investing Activities				
Purchases of property and equipment	(1,039,037)	(292,115)	(298,729)	(249,987)
Purchase of short-term investments	—	—	(15,152,247)	—
Net cash used in investing activities	(1,039,037)	(292,115)	(15,450,976)	(249,987)
Cash Flows from Financing Activities				
Payment of debt issuance costs	—	—	(142,929)	—
Proceeds from debt	—	—	10,000,000	—
Proceeds from issuance of Preferred Stock and noncontrolling interest	35,000,001	1,625,000	20,099,997	20,000,007
Payment of Preferred Stock issuance costs	(208,357)	—	(199,353)	(86,641)
Proceeds from exercise of stock options	22,183	—	—	9,177
Net cash provided by financing activities	34,813,827	1,625,000	29,757,715	19,922,543
Effect of Exchange Rate Changes on Cash and Cash Equivalents	587,976	(291)	(2,927)	68,867
Net increase (decrease) in cash and cash equivalents	**16,188,885**	**(16,002,662)**	**331,675**	**11,317,979**
Cash and Cash Equivalents, beginning of year	8,208,663	24,211,325	24,397,548	8,208,663
Cash and Cash Equivalents, end of period	$ 24,397,548	$ 8,208,663	$ 24,729,223	$ 19,526,642
Supplemental Disclosure of Cash Flow Information				
Cash paid for interest	$ —	$ —	$ 204,583	$ —
Cash paid for income taxes	$ 890	$ 800	$ 800	$ 800
Noncash Investing and Financing Activities				
Common Stock issuance on stock option exercises for promissory notes	$ 574,296	$ 786,234	$ 70,970	$ 204,737
Warrants issued as debt issuance costs	$ —	$ —	$ 240,205	$ —
Accrued loan fees as debt issuance costs	$ —	$ —	$ 750,000	$ —

See accompanying notes to consolidated financial statements.

Axonics Modulation Technologies, Inc.

Notes to Consolidated Financial Statements

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Axonics Modulation Technologies, Inc. (the "Company"), formerly American Restorative Medicine, Inc., was incorporated in the state of Delaware on March 2, 2012. The Company is a medical technology company focused on the design, development, and commercialization of innovative and minimally invasive sacral neuromodulation solutions. The Company has designed and developed the r-SNM System, which delivers mild electrical pulses to the targeted sacral nerve in order to restore normal communication to and from the brain to reduce the symptoms of overactive bladder ("OAB") and fecal incontinence ("FI"). The r-SNM System is protected by intellectual property based on Company-generated innovations and patents and other intellectual property licensed from the Alfred E. Mann Foundation for Scientific Research ("AMF"). The Company had no operations until October 1, 2013, when the license agreement between AMF and the Company (the "License Agreement") was entered into. The Company has obtained marketing approvals in Europe, Canada, and Australia for OAB, urinary retention, and FI, and expects to submit a pre-market approval ("PMA") application with the U.S. Food and Drug Administration ("FDA") for urinary urgency incontinence, a predominant OAB subtype, during the first quarter of 2019. The Company has derived minimal revenue from its operations, and its activities have consisted primarily of developing the r-SNM System, conducting its RELAX-OAB post-market clinical follow-up study in Europe, and its ARTISAN-SNM pivotal clinical study in the United States.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiary, Axonics Modulation Technologies U.K. Limited, as well as Axonics Europe, S.A.S., a variable interest entity, in which the Company exercises control and is determined to be the primary beneficiary. The interests held by the other investors in Axonics Europe can be converted at any time into a fixed number of shares of the Company's preferred stock. Due to this conversion right, the investors' interests are considered to be protected from any losses in Axonics Europe (see Note 5). Therefore, the Company is considered responsible to absorb the losses of Axonics Europe and as such, has a variable interest in Axonics Europe. Axonics Europe has no equity at risk and is therefore considered a variable interest entity since it is dependent on the Company to finance its activities. The investors in Axonics Europe have entered into an agreement with the Company acknowledging that their investment is not intended to give them voting control over Axonics Europe and they have agreed to vote as directed by the Company's board. Therefore, the Company is the primary beneficiary of Axonics Europe and consolidates this entity. Axonics Modulation Technologies U.K. Limited and Axonics Europe, S.A.S. did not have significant operations in 2017, 2016 or for the six months ended June 30, 2018 and 2017 (unaudited). Intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation and Liquidity

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP").

The Company has incurred significant losses since inception, and as of December 31, 2017, had an accumulated deficit of $67,165,950. As of June 30, 2018 (unaudited), the Company had an accumulated deficit of $82,418,282, which includes a net loss of $15,252,332 for the six months ended June 30, 2018 (unaudited). The Company's activities are subject to significant risks and uncertainties, including failing to secure additional funding to commercialize the r-SNM System. The Company has relied on its ability to obtain financing, which to date has been through proceeds from the sale of convertible preferred stock and amounts borrowed under the

Loan Agreement (as defined below). Management expects operating losses and negative cash flows to continue in the near term as the Company incurs additional costs and expenses related to completing development, testing, and obtaining regulatory approval in the United States of the r-SNM System, which could lead to possible discontinuance of operations.

The Company's ability to meet its obligations in the ordinary course of business is dependent upon its ability to raise working capital through debt or additional equity financing, which the Company was able to do subsequent to December 31, 2017. See Note 11 for discussion of the additional debt and equity financings.

The Company believes that its current cash at December 31, 2017, including the remaining availability under the Loan Agreement, will be sufficient to meet its forecasted requirements for operating liquidity, capital expenditure and debt repayments for at least one year from the date of issuance of these consolidated financial statements. However, there can be no assurances that it will be successful in obtaining financing in the future.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires the Company's management to make estimates and judgments that affect the reported amounts of assets, liabilities, and expenses, and related disclosure of contingent assets and liabilities. The Company bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances. The results of this evaluation then form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, and such differences may be material to the consolidated financial statements.

Revenue Recognition

Revenue recognized during the year ended December 31, 2017 and the six months ended June 30, 2018 (unaudited), relates entirely to the sale of product to two customers. The Company recognizes revenue when title and risk of loss pass to customers, which is typically when the customer takes possession of the product.

In May 2014, the FASB issued ASU 2014-09 "Revenue from Contracts with Customers" ("ASU 2014-09") as ASC Topic 606. The objective of ASU 2014-09 is to establish a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and superseded most of the existing revenue recognition guidance, including industry-specific guidance. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 applies to all contracts with customers except those that are within the scope of other topics in the FASB ASC. Effective January 1, 2018, the Company early adopted the comprehensive new revenue recognition standard using the modified retrospective method. As the Company generated minimal revenue, the adoption of this guidance did not have a material impact on the Company's consolidated financial statements or related disclosures.

Cash and Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments purchased with an original maturity of three months or less. Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and cash equivalents. At times, the cash and cash equivalent balances may exceed federally insured limits. The Company does not believe that this results in any significant credit risk.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy

prioritizes the inputs used to measure fair value. The hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs are quoted prices for similar assets and liabilities in active markets or quoted prices for identical or similar instruments in markets that are not active and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3: Inputs are unobservable inputs based on the Company's assumptions and valuation techniques used to measure assets and liabilities at fair value. The inputs require significant management judgment or estimation.

The Company's assessment of the significance of an input to the fair value measurement requires judgment, which may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. The carrying amounts reported in the consolidated financial statements approximate the fair value for cash and cash equivalents, accounts receivable, accounts payables, and accrued expenses, due to their short-term nature. The carrying amount of the Company's term loan, which is described below, approximates fair value, considering the interest rates are based on the prime interest rate.

Investment Securities

The Company classifies its investment securities as available-for-sale. Those investments with maturities less than 12 months at the date of purchase are considered short-term investments. Those investments with maturities greater than 12 months at the date of purchase are considered long-term investments. The Company's investment securities classified as available-for-sale are recorded at fair value based upon quoted market prices at period end (Level 1 inputs in the fair value hierarchy) and consists primarily of commercial paper and U.S. government securities. Unrealized gains or losses, deemed temporary in nature, are reported as a separate component of comprehensive income (loss). There were no unrealized gains or losses during the six months ended June 30, 2018 (unaudited).

A decline in the fair value of any security below cost that is deemed other than temporary results in a charge to net income (loss) and the corresponding establishment of a new cost basis for the security. Premiums (discounts) are amortized (accreted) over the life of the related security as an adjustment to yield using the straight-line interest method. Dividend and interest income are recognized when earned. Realized gains or losses are included in net income (loss) and are derived using the specific identification method for determining the cost of securities sold.

Foreign Currency Translation

The functional currencies of the Company's subsidiaries are currencies other than the U.S. dollar. The Company translates assets and liabilities of the foreign subsidiaries into U.S. dollars at the exchange rate in effect on the balance sheet date. Costs and expenses of the subsidiaries are translated into U.S. dollars at the average exchange rate during the period. Gains or losses from these translation adjustments are reported as a separate component of stockholders' deficit in accumulated other comprehensive loss until there is a sale or complete or substantially complete liquidation of the Company's investment in the foreign subsidiary at which time the gains or losses will be realized and included in net income (loss). As of December 31, 2017 and 2016 and June 30, 2018 (unaudited), all foreign currency translation gains (losses) have been unrealized and included in accumulated other comprehensive loss. Accumulated other comprehensive loss consists entirely of losses from translation of foreign subsidiaries at December 31, 2017 and 2016 and June 30, 2018 (unaudited). Foreign currency transaction gains and losses are included in results of operations and have not been significant for the periods presented.

Inventory

Inventories are stated at the lower of cost or net realizable value, with cost computed on a first-in, first-out basis.

The Company capitalizes inventory produced for commercial sale. Costs associated with developmental products prior to satisfying the Company's inventory capitalization criteria are charged to research and development expense as incurred.

Products that have been approved by certain regulatory authorities are also used in clinical programs to assess the safety and efficacy of the products for usage that have not been approved by the FDA or other regulatory authorities. The form of product utilized for both commercial and clinical programs is identical and, as a result, the inventory has an "alternative future use" as defined in authoritative guidance. Component materials and purchased products associated with clinical development programs are included in inventory and charged to research and development expense when the product enters the research and development process and no longer can be used for commercial purposes and, therefore, does not have an "alternative future use."

For products that are under development and have not yet been approved by regulatory authorities, purchased component materials are charged to research and development expense when the inventory ownership transfers to the Company.

The Company analyzes inventory levels to identify inventory that may expire prior to sale, inventory that has a cost basis in excess of its net realizable value, or inventory in excess of expected sales requirements. Although the manufacturing of the r-SNM System is subject to strict quality control, certain batches or units of product may no longer meet quality specifications or may expire, which would require adjustments to the Company's inventory values. The Company also applies judgment related to the results of quality tests that are performed throughout the production process, as well as the understanding of regulatory guidelines, to determine if it is probable that inventory will be saleable. These quality tests are performed throughout the pre- and post-production processes, and the Company continually gathers information regarding product quality for periods after the manufacturing date. The r-SNM System currently has a maximum estimated shelf life range of 12 to 27 months and, based on sales forecasts, the Company expects to realize the carrying value of the product inventory. In the future, reduced demand, quality issues, or excess supply beyond those anticipated by management may result in a material adjustment to inventory levels, which would be recorded as an increase to cost of sales.

The determination of whether or not inventory costs will be realizable requires estimates by the Company's management. A critical input in this determination is future expected inventory requirements based on internal sales forecasts. Management then compares these requirements to the expiry dates of inventory on hand. To the extent that inventory is expected to expire prior to being sold, management will write down the value of inventory.

The r-SNM System inventory manufactured prior to international regulatory approval consisted of raw materials and work-in-process inventory, which was expensed as research and development costs as incurred and was combined with other research and development expenses. While management tracked the quantities of individual product lots, it did not track pre-regulatory approval manufacturing costs and, therefore, the manufacturing cost of the r-SNM System raw materials and work-in-process inventory produced prior to regulatory approval is not reasonably determinable. However, based on management's expectations for future manufacturing costs to produce the r-SNM System inventory, management estimates that approximately $450,000 of commercial r-SNM System inventory was expensed prior to regulatory approval.

The Company began capitalizing the r-SNM System manufacturing costs as inventory following both the receipt of regulatory approval from the European and Canadian regulatory bodies and the Company's intent to commercialize, which occurred in 2017. As of December 31, 2017, the Company had $227,559, $2,986, and

$1,310,780 of finished goods inventory, work-in-process inventory, and raw materials inventory, respectively, on hand. As of June 30, 2018, the Company had $599,705, $9,150, and $1,304,389 of finished goods inventory, work-in-process inventory, and raw materials inventory, respectively, on hand (unaudited).

The aggregate selling price of reduced-cost finished goods inventory on hand may be affected by a number of factors including, but not limited to, market demand, future pricing of the product, competition, and reimbursement by government and other payers. At this time, management of the Company cannot reasonably estimate the timing and rate of consumption of reduced-cost raw materials and work-in-progress inventory, or the timing of sales of finished goods manufactured with this inventory. The time period over which reduced-cost finished goods inventory is consumed will depend on a number of factors, including the amount of future r-SNM System sales, the ultimate use of this inventory in either commercial sales, clinical development or other research activities, and the ability to utilize inventory prior to its expiration date.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally between three and seven years. Leasehold improvements are amortized over the lesser of the life of the lease or the useful life of the improvements. Maintenance and repairs are charged to expense as incurred. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the balance sheet and any resulting gain or loss is reflected in operations.

Intangible Asset

The intangible asset represents exclusive rights to an additional field-of-use on the patent suite within the License Agreement with AMF. The additional field-of-use was provided in exchange for 50,000 shares of Series A preferred stock, the fair value of which was $1,000,000 in 2013. The intangible asset was recorded at its fair value of $1,000,000 at the date contributed. Amortization of this asset is recorded over the shorter of the patent or legal life on a straight-line basis. The weighted-average amortization period is 8.71 years. The Company will review the intangible asset for impairment whenever an impairment indicator exists. There have been no intangible asset impairment charges to date.

Impairment of Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparing the carrying amount to the future net cash flows that the assets are expected to generate. If said assets are considered to be impaired, the impairment that would be recognized is measured by the amount by which the carrying amount of the assets exceeds the projected discounted future net cash flows arising from the asset. There have been no such impairments of long-lived assets to date.

Leases

Through December 31, 2017, the Company recognized rent expense related to operating leases on a straight-line basis over the terms of the leases and, accordingly, recorded the difference between cash rent payments and recognition of rent expense as a deferred rent liability. Landlord-funded leasehold improvements were also recorded as deferred rent liabilities and were amortized as a reduction of rent expense over the noncancelable term of the related operating lease.

Effective January 1, 2018, the Company early adopted the comprehensive new lease standard. The most significant impact was the recognition of right-of-use (“ROU”) assets and lease liabilities for operating leases. Adoption of the standard required us to restate certain previously reported results, including the recognition of

additional ROU assets and lease liabilities for operating leases. The Company recorded an ROU asset of approximately $0.2 million, $0.1 million, and $0.1 million on its consolidated balance sheets at December 31, 2016, December 31, 2017, and June 30, 2018 (unaudited), respectively. The Company also recorded a lease liability of approximately $0.5 million, $0.3 million, and $0.2 million on its consolidated balance sheets at December 31, 2016, December 31, 2017, and June 30, 2018 (unaudited), respectively. The standard did not have an impact on the Company's consolidated statements of comprehensive loss. The Company determines if an arrangement is a lease at inception and includes operating leases on the Company's consolidated balance sheets. The operating lease ROU asset is included within the Company's other non-current assets, and lease liabilities are included in current or noncurrent liabilities on the Company's consolidated balance sheets.

Operating lease ROU asset and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As the Company's lease does not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

As of December 31, 2017 and June 30, 2018, the remaining lease term for the Company's operating lease was 1.8 years and 1.3 years, respectively. The discount rate used to determine the present value of this operating leases's future payments was 6.75%.

Noncontrolling Interests

Noncontrolling interests reflected in mezzanine equity are adjusted to the greater of their fair value or carrying value as of each balance sheet date through a charge to additional paid-in capital, if necessary. If classification and presentation outside of permanent equity is not considered necessary, noncontrolling interests are presented as a component of permanent equity on our consolidated balance sheets. On the Company's consolidated statements of comprehensive loss, expenses and net loss from less-than-wholly-owned consolidated subsidiaries are reported at the consolidated amounts, including both the amounts attributable to the Company and noncontrolling interests.

Research and Development

Research and development costs are charged to operations as incurred. Research and development costs include salary and personnel-related costs, costs of clinical studies and testing, supplies and materials, and outside consultant costs.

Income Taxes

The Company accounts for income taxes using the asset and liability method to compute the difference between the tax basis of assets and liabilities and the related financial amounts, using currently enacted tax rates. The Company has deferred tax assets. The realization of these deferred tax assets is dependent upon the Company's ability to generate sufficient taxable income in future years. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount that more likely than not will be realized. The Company evaluates the recoverability of the deferred tax assets annually.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The Company has determined that it has no uncertain tax positions.

Stock-Based Compensation

The Company measures the cost of employee services in exchange for an award of equity instruments based on the grant-date fair value of the award and recognizes compensation cost over the requisite service period (typically the vesting period), generally four years. The Company accounts for equity instruments issued to non-employees based on the fair value of the award, which is periodically re-measured as they vest over the performance period. The related expense is recognized over the performance period.

Preferred Stock

As provided for in the Company's Certification of Incorporation, liquidation relates to each of the following:

- acquisition of the Company by another entity through a reorganization, merger or consolidation by with the Company's existing stockholders do not continue to hold more than 50% of the surviving or acquiring entity;
- transactions (or series of transactions) in which stockholders transfer more than 50% of the voting power of the Company;
- sale or disposition of substantially all of the Company's assets; and
- any liquidation, dissolution or winding up of the Company.

Certain of the above items are considered deemed redemption features that are not solely in the control of the Company. As a results, the Company's convertible preferred stock is classified as mezzanine equity on the consolidated balance sheets. However, as each of the deemed liquidation events are not considered probable of occurring, the instruments are not required to be re-measured in the reporting period.

Net Loss per Share of Common Stock

Basic net loss per common share is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period, without consideration for potentially dilutive securities. Diluted net loss per share is computed by dividing the net loss attributable to common stockholders by the weighted-average number of common shares and potentially dilutive securities outstanding for the period. For purposes of the diluted net loss per share calculation, convertible preferred stock, preferred stock warrants, and common stock options are considered to be potentially dilutive securities. Because the Company has reported a net loss in all periods presented, diluted net loss per common share is the same as basic net loss per common share for those periods.

For the years ended December 31, 2017 and 2016 and the six months ended June 30, 2018 and 2017, there were 6,716,655, 5,410,699, 8,904,593, and 6,038,076 potentially dilutive shares, respectively, that were not included in the computation of diluted weighted-average shares of common stock and common stock equivalent shares outstanding because their effect would have been antidilutive given the Company's net loss.

Unaudited Pro Forma Net Loss per Share of Common Stock

The unaudited pro forma basic and diluted net loss per share reflects the conversion of all outstanding and issuable shares of convertible preferred stock into shares of common stock as if the conversion had occurred at the earlier of the beginning of the period or the date of issuance, if later. Convertible preferred stock outstanding and issuable includes shares of the Company and shares in Axonics Europe, S.A.S., which are exchangeable for the applicable series of convertible preferred stock pursuant to the Company's Fourth Amended and Restated Share Exchange Agreement, dated June 30, 2017, by and among the Company, BioDiscovery 4 FCPR, and Coöperative Gilde Healthcare IV U.A (the "Share Exchange Agreement").

Unaudited Interim Financial Information

The accompanying interim consolidated balance sheet as of June 30, 2018, the interim consolidated statements of comprehensive loss and cash flows for the six months ended June 30, 2018 and 2017, the interim consolidated statements of mezzanine equity and stockholders' deficit for the six months ended June 30, 2018, and the related footnote disclosures are unaudited. These unaudited interim consolidated financial statements have been prepared in accordance with GAAP and, in management's opinion, on a basis consistent with the audited consolidated financial statements and reflect all adjustments, which only include normal recurring adjustments, necessary for the fair presentation of the Company's financial position as of June 30, 2018 and its results of operations and comprehensive loss and cash flows for the six months ended June 30, 2018 and 2017, and the consolidated statements of mezzanine equity and stockholders' deficit for the six months ended June 30, 2018.

The results for the six months ended June 30, 2018 are not necessarily indicative of the results to be expected for the year ended December 31, 2018 or for any other interim period.

Note 2. Property and Equipment

Property and equipment, net consists of the following at:

	December 31,		June 30,
	2017	2016	2018 (unaudited)
Research and development equipment	$ 783,254	$ 796,928	$ 821,275
Computer hardware and software	545,189	457,480	625,611
Tools and molds	876,717	393,502	1,040,433
Leasehold improvements	296,614	296,614	299,006
Furniture and fixtures	181,258	160,364	195,436
	2,683,032	2,104,888	2,981,761
Less: accumulated depreciation and amortization	(1,152,643)	(937,573)	(1,522,815)
	$ 1,530,389	$1,167,315	$ 1,458,946

Depreciation and amortization expense of property and equipment was $610,566, $510,289, $370,172, and $277,332 for the years ended December 31, 2017 and 2016, and the six months ended June 30, 2018 and 2017 (unaudited), respectively.

Note 3. Intangible Asset

The intangible asset represents exclusive rights to an additional field-of-use on the patent suite within the License Agreement with AMF. The intangible asset was recorded at its fair value of $1,000,000 at the date contributed in 2013, which is the gross carrying amount of the intangible asset at December 31, 2017, 2016, and June 30, 2018 (unaudited). Accumulated amortization of the intangible asset is $459,313, $344,485, and $516,728 at December 31, 2017, 2016, and June 30, 2018 (unaudited), respectively. The Company recorded expense for the amortization of intangible assets of $114,828 for both the years ended December 31, 2017 and 2016, and $57,414 for both the six months ended June 30, 2018 and 2017 (unaudited). The estimated future amortization expense as of December 31, 2017, is as follows:

2018	$114,828
2019	114,828
2020	114,828
2021	114,828
2022	81,375
	$540,687

Note 4. Commitments

Operating Leases

In August 2014, the Company entered into a five-year operating lease for approximately 12,215 square feet of office space beginning on November 1, 2014, and expiring on October 31, 2019. Under the terms of the lease, the Company is responsible for taxes, insurance, and maintenance expense. The lease contains certain scheduled rent increases. Rent expense is recognized on a straight-line basis over the expected lease term.

Rent expense (including the Company's proportionate share of taxes, insurance, and maintenance expenses) for the years ended December 31, 2017 and 2016 and the six months ended June 30, 2018 and 2017 (unaudited), was $204,831, $288,358, $175,855, and $98,244, respectively.

The future minimum lease payments of this operating lease as of December 31, 2017, are as follows:

2018	$212,546
2019	183,230
	$395,776

In November 2017, the Company entered into a new lease agreement (the "Lease") with its current landlord, The Irvine Company, LLC, for the lease of approximately 25,548 square feet of office space of a building located in Irvine, California. The Company intends to use the premises as its new principal executive offices and for general office, research and development, lab, and manufacturing uses. The Company intends to utilize its old currently-leased space through the lease expiration date to conduct the training of its sales team.

Unless earlier terminated, the term of the Lease (the "Initial Term") will expire on the final day of the calendar month following the seventh anniversary of the commencement date. The commencement date was set as August 2018. The Company did not control the leased premises before the commencement date. The aggregate base rent due over the Initial Term under the terms of the Lease is approximately $5.3 million (without giving effect to certain rent abatement terms). The Company will also be responsible for the payment of additional rent to cover certain costs, taxes, and insurance. Based on the estimated monthly additional rent for 2018 as set forth in the Lease, the Company estimates that the additional rent during the Initial Term will be approximately $3.8 million. The Company also expects to pay approximately $0.5 million for leasehold improvements, net of the tenant improvement allowance provided in the Lease of approximately $0.8 million.

The Company has a renewal option to extend the term of the Lease for a period of five years (the "Renewal Term") beyond the Initial Term. Under the terms of the Lease, the base rent payable with respect to each Renewal Term will be equal to the prevailing market rental rent as of the commencement of the applicable Renewal Term. In the event of a default of certain of the Company's obligations under the Lease, the Company's landlord would have the right to terminate the Lease. The Company is assessing the accounting impact of the Lease.

License Agreement

In October 2013, the Company entered into the License Agreement with AMF, pursuant to which AMF agreed to license to the Company certain patents and know-how (collectively, the "AMF IP") relating to, in relevant part, an implantable pulse generator and related system components in development by AMF as of that date, in addition to any peripheral or auxiliary devices, including all components, that when assembled, comprise such device, excluding certain implantable pulse generators (collectively, the "AMF Licensed Products"). Pursuant to the License Agreement, AMF granted to the Company a royalty-bearing, sublicensable (by written, executed agreements only, subject to the terms of the License Agreement) license under the AMF IP to make,

have made, lease, offer to lease, use, sell, offer for sale, market, promote, advertise, import, research, develop and commercialize the AMF Licensed Products worldwide for the treatment of (i) chronic pain in humans through the application of electrical energy to the nervous system, (ii) inflammatory conditions of the human body through the application of electrical energy to the vagus nerve, a nerve that interfaces with parasympathetic control of the heart, lungs and digestive tract, and (iii) urinary and fecal dysfunction in humans through the application of electrical energy anywhere in or on the human body, excluding, in each case, any product or method that involves the placement of electrodes or the administration of electrical stimulation inside the cranial cavity or to the ocular nervous system or the auditory nervous system. Pursuant to the License Agreement, the Company is obligated to pay a 4% royalty of all net revenue derived from the AMF Licensed Products if one of the following conditions applies: (i) one or more valid claims within any of the patents licensed to the Company by AMF covers such AMF Licensed Products or the manufacture of such AMF Licensed Products or (ii) for a period of 12 years from the first commercial sale anywhere in the world of such AMF Licensed Product, in each case, subject to certain adjustments. The initial term of the License Agreement is from October 1, 2013 to October 1, 2033, and will automatically continue until all patents are no longer in force. The Company generated net revenue of $128,118 and recorded related royalties of $4,972 during the year ended December 31, 2017. No revenue was generated and no payments were made during the year ended December 31, 2016 or during the six months ended June 30, 2017 (unaudited). Beginning in 2018, the Company is required to pay a minimum annual royalty under the License Agreement. The minimum amount will be $75,000 for 2018, with an increase in subsequent years of $25,000 (i.e., $100,000 for 2019) up to a maximum of $200,000 per year. The Company generated net revenue of $12,239 and recorded minimum royalties of $37,500 during the six months ended June 30, 2018 (unaudited).

Note 5. Stockholders' Equity

Preferred Stock

As of December 31, 2017, the Company is authorized to issue 9,985,982 shares of convertible preferred stock with a par value of $0.0001. The authorized shares of preferred stock are designated as Series A, Series B-1, Series B-2, and Series C preferred stock in the amount of 1,030,000, 2,529,862, 2,537,231, and 3,888,889 shares, respectively. The rights, preferences, and privileges of the Series A, Series B-1, Series B-2, and Series C preferred stock (collectively, the "Preferred Stock") are as follows:

Dividends

The holders of the outstanding shares of Preferred Stock are entitled to receive, when and if declared by the board of directors, a noncumulative dividend prior and in preference to any declaration or payment of any dividend of the common stock of the Company. As of June 30, 2018 (unaudited), no dividends have been declared since inception.

Conversion

Each share of Preferred Stock is convertible at any time, at the option of the holder, into that number of fully paid shares of common stock as determined by dividing the original issue price by the conversion price for the shares. The original issue price was $20.00, $7.20, $8.00, and $9.00 per share for Series A, B-1, B-2, and C, respectively. The conversion price is subject to adjustment in accordance with the provisions contained in the Company's Certificate of Incorporation. As of December 31, 2017, the conversion price for Series A, B-1, B-2, and C is $10.60, $7.20, $8.00, and $9.00 per share, respectively. As of June 30, 2018 (unaudited), the conversion price for Series A, B-1, B-2, and C is $10.36, $7.20, $8.00, and $9.00 per share, respectively.

Each share of Preferred Stock shall automatically converts into shares of common stock at the then-effective conversion price for such share immediately upon the earlier of (i) the Company's sale of its common stock in a firm commitment underwritten public offering pursuant to a registration statement under the Securities

Act of 1933, as amended, in which the public offering price per share is not less than $18.00 (as adjusted for recapitalizations and the like) and the aggregate gross proceeds to the Company are not less than $50,000,000 or (ii) upon the election of the holders of at least two-thirds of the outstanding shares of Preferred Stock, voting together as a single class on an as-if converted to common stock basis. Each of the events described in (i) and (ii) is referred to as an "Automatic Conversion Event."

Liquidation

In the event of any liquidation, dissolution, or winding up of the Company, either voluntary or involuntary, the holders of Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of the common stock of the Company by reason of their ownership of such stock, an amount per share for each Preferred Stock share held by them equal to the sum of (i) 1.1 times the original issue price for the Preferred Stock for Series A and Series B holders and 1.0 times the original issue price for the Preferred Stock for Series C holders and (ii) all declared but unpaid dividends (if any) on such share. If upon the liquidation, dissolution, or winding up of the Company, the assets of the Company legally available for distribution to the holders of the preferred stock are insufficient to permit the payment to such holders of the full amounts, then the entire assets of the Company legally available for distribution shall be distributed ratably among the holders of Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive. After the payment or setting aside for payment to the holders of Preferred Stock of the full amounts specified above, the entire remaining assets of the Company legally available for distribution shall be distributed with equal priority and pro rata among the holders of Preferred Stock and common stock then outstanding in proportion to the number of shares of common stock held by each, with each share of Preferred Stock being treated for this purpose as if it had been converted to common stock at the then-applicable conversion rate.

Voting

The holder of each share of Preferred Stock is entitled to the number of votes equal to the number of shares of common stock into which each share of Preferred Stock can be converted.

Stock Option Plan

In 2014, the Company established its 2014 Stock Option Plan (the "2014 Plan"), which provides for the granting of stock options to employees, directors, and consultants of the Company. Options granted under the 2014 Plan may be either incentive stock options ("ISOs") or nonstatutory stock options ("NSOs"), as determined by the administrator at the time of grant. The term of each option shall be stated in the option agreement; however, the term shall be no more than ten years from the date of the grant thereof. In the case of an ISO granted to an optionee who, at the time the option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company, the term of the option shall be five years from the date of grant or such shorter term as may be provided in the option agreement. As of December 31, 2017 and June 30, 2018 (unaudited), a total of 2,210,708 and 2,648,781 shares have been reserved for issuance under the 2014 Plan, respectively. As of December 31, 2017 and June 30, 2018 (unaudited), there are 69,219 and 32,142 shares available for grant under the 2014 Plan, respectively.

The Company had shares of common stock reserved for future issuance as follows at:

	December 31, 2017	December 31, 2016	June 30, 2018 (unaudited)
Convertible preferred stock outstanding and issuable	10,899,920	6,887,457	13,177,211
Options outstanding under the 2014 Plan	752,679	397,038	1,187,229
Options remaining under the 2014 Plan for future issuance	69,219	16	32,142
	11,721,818	7,284,511	14,396,582

Preferred Stock outstanding and issuable includes shares of the Company and shares in Axonics Europe, S.A.S., which are exchangeable for the applicable series of Preferred Stock pursuant to the Share Exchange Agreement.

The fair value of each stock option is measured as of the date of grant, and compensation expense is recognized over the period during which the recipient renders the required services to the Company (typically the vesting period). Stock-based compensation expense recognized is based on the estimated number of stock options that are expected to ultimately become exercisable. Forfeitures are estimated at the time of the grant and revised in subsequent periods to reflect differences between the estimates and the number of shares that actually become exercisable. The expense for options granted to nonemployees is recognized based upon the fair value of the options as the options vest.

Stock-based compensation expense included in the Company's consolidated statements of comprehensive loss is allocated as follows:

	Years ended December 31,		Six months ended June 30,	
	2017	2016	2018	2017
			(unaudited)	
General and administrative	$ 267,945	$ 193,977	$ 156,483	$ 120,821
Research and development	179,354	112,226	96,829	75,125
Sales and marketing	13,931	15,273	4,865	—
	$ 461,230	$ 321,476	$ 258,177	$ 195,946

The option awards issued under the 2014 Plan were measured based on fair value. The Company's fair value calculations were made using the Black-Scholes option pricing model with the following assumptions:

	Years ended December 31,		Six months ended June 30,	
	2017	2016	2018	2017
			(unaudited)	
Expected term (in years)	5.00 - 6.50	6.06 - 6.27	5.00 - 6.96	5.00 - 6.50
Stock volatility	70.61% - 76.01%	70.73% - 70.85%	76.01% - 77.03%	70.61% - 76.01%
Risk-free interest rate	1.82% - 2.11%	1.36% - 1.78%	2.26% - 2.81%	1.83% - 2.03%
Dividend rate	0%	0%	0%	0%

The Company used the simplified method of determining the expected term of stock options. The expected stock price volatility assumption was determined by examining the historical volatilities for industry peers, as the Company did not have any trading history for the Company's common stock. The Company will continue to analyze the historical stock price volatility and expected term assumption as more historical data for the Company's common stock becomes available. The risk-free interest rate assumption is based on the U.S. Treasury instruments, whose term was consistent with the expected term of the Company's stock options. The expected dividend assumption is based on the Company's history and expectation of dividend payouts. The assumptions regarding the expected term of the options and the expected volatility of the stock price are subjective, and these assumptions have a significant effect on the estimated fair value amounts. The weighted-average grant date fair value of options granted was $1.06, $0.74, $1.32, and $0.99 for the years ended December 31, 2017 and 2016, and the six months ended June 30, 2018 and 2017 (unaudited), respectively.

As of December 31, 2017 and June 30, 2018 (unaudited) there was $888,584 and $1,253,350, respectively, of total unrecognized compensation cost related to non-vested stock options that is expected to be recognized over a weighted-average period of approximately 2.9 years.

The following table summarizes stock option activity under the 2014 Plan:

	Number of Options	Weighted-Average Exercise Price per Share
Outstanding at December 31, 2015	113,005	$ 1.16
Options granted	956,027	1.17
Options exercised	(671,994)	1.17
Outstanding at December 31, 2016	397,038	1.17
Options granted	746,818	1.63
Options exercised	(372,469)	1.60
Options forfeited	(18,708)	1.17
Outstanding at December 31, 2017	752,679	1.41
Options granted (unaudited)	475,150	1.95
Options exercised (unaudited)	(40,600)	1.75
Outstanding at June 30, 2018 (unaudited)	1,187,229	$ 1.61
Options exercisable at December 31, 2017	531,905	$ 1.41
Options exercisable at June 30, 2018 (unaudited)	873,156	$ 1.60

The weighted-average remaining contractual term of options outstanding and exercisable is 8.7 years, 8.0 years and 8.0 years, respectively, at December 31, 2017, 2016 and June 30, 2018 (unaudited). During the years ended December 31, 2017 and 2016 and six months ended June 30, 2018 and 2017 (unaudited), stock options covering 372,469, 671,994, 40,600 and 137,451 shares of common stock, respectively, with a total intrinsic value of $12,854, $0, $0, and $0 for 2017, 2016 and the six months ended June 30, 2018 and 2017 (unaudited), respectively, were exercised.

Stock Subscriptions Receivable

As of December 31, 2017, several members of management of the Company have exercised stock options covering 1,364,056 shares of common stock, in exchange for promissory notes with a principal balance of $1,752,700. As of June 30, 2018 (unaudited), there were additional exercises of stock options for promissory notes covering 40,600 shares of common stock. These promissory notes bear interest at a rate of 4.5% per annum and are due in full in 2020 to 2022. The promissory notes can become due earlier if the shares of common stock received from the option exercises are sold, the employee terminates employment with the Company, or pursuant to other provisions specified in the notes. The notes are secured by the shares of common stock received from the option exercises.

Preferred Stock Warrants (unaudited)

In February 2018, in connection with the Company's entry into the Loan Agreement (as defined below), the Company issued warrants to the Bank (as defined below) and Life Science Loans II, LLC, its counterparty. Each warrant entitles the holder thereof to purchase up to 33,334 shares of the Series C Preferred Stock at an exercise price of $9.00 per share. Initially, each warrant is exercisable for 16,667 shares of Series C Preferred Stock. If the Company draws on Tranche B (as defined below), an additional 8,333 shares will become exercisable under each warrant and if we draw on Tranche C (as defined below), an additional 8,333 shares will become exercisable under each warrant. Each warrant will expire on February 6, 2028. As of June 30, 2018 (unaudited), warrants to purchase 33,334 shares of the Company's Series C Preferred Stock were outstanding and are considered liabilities, the value of which is recorded in current liabilities and will be required to be adjusted to fair value each reporting period with the change reflected in the statements of comprehension loss, if any. Additional warrants exercisable into a total of 33,332 Series C Preferred Stock shares remain issuable as of

June 30, 2018. The fair value of the warrants was estimated using the Black-Scholes Model with the following assumptions: expected life of 10 years, risk-free interest rate of 2.74% and stock volatility of 76.01%.

Note 6. Noncontrolling Interest

For less-than-wholly-owned consolidated subsidiaries, noncontrolling interest is the portion of equity not attributable, directly or indirectly, to the Company. The Company's noncontrolling interest relates to the portion of Axonics Europe S.A.S. not owned by the Company. The Company evaluates whether noncontrolling interests possess any redemption features outside of the Company's control. If such features are determined to exist, the noncontrolling interests are presented outside of permanent equity on our consolidated balance sheets within mezzanine equity.

The Company presents noncontrolling interest as mezzanine equity on the consolidated balance sheets due to the Share Exchange Agreement that provides the holders of the equity in Axonics Europe S.A.S. (excluding the Company) the unilateral right to exchange its equity interest in Axonics Europe S.A.S. for Preferred Stock of the Company at any time. The Company's Preferred Stock is presented as mezzanine equity and as such the rights under the Share Exchange Agreement require the noncontrolling interest to be presented as mezzanine equity as well.

Comprehensive loss attributable to the noncontrolling interest in Axonics Europe S.A.S. are absorbed by the Company since the investors are protected from any losses in this entity due to the conversion right. Changes in amounts attributable to the redeemable noncontrolling interest are presented in the Company's consolidated statements of mezzanine equity.

Note 7. Income Taxes

The Company's effective tax rate of approximately 0% differs from the federal statutory tax rate primarily due to the full valuation allowance held on the deferred tax assets.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred tax assets are as follows as of:

	December 31,	
	2017	2016
Compensation accruals	$ 100,896	$ 129,406
Depreciation and amortization	(37,180)	(66,795)
Deferred rent	22,266	44,153
Net operating loss carryforwards	18,249,597	19,037,099
R&D tax credit carryforwards	1,425,200	1,065,409
Other	17,229	217
Total deferred tax assets	19,778,008	20,209,489
Less: valuation allowance	(19,778,008)	(20,209,489)
Total net deferred tax assets	$ —	$ —

On December 22, 2017, "H.R.1," known as the Tax Cuts and Jobs Act (the "Tax Act") was signed into law in the United States. Among other items, H.R.1 reduces the federal corporate tax rate to 21% from the existing maximum rate of 35%, effective January 1, 2018. As a result, the Company revalued its net deferred tax asset at the new lower tax rate at December 31, 2017. The change in the valuation allowance was a decrease of $431,481 and an increase of $6,944,236 for the years ended December 31, 2017 and 2016, respectively. At December 31, 2017, the Company had federal and California net operating loss ("NOL") carryforwards of

approximately $65.2 million. Pursuant to Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), use of the Company's NOL carryforwards may be limited if the Company experiences a cumulative change in ownership of greater than 50% in a rolling three-year period. The Company has not performed an analysis of changes in ownership for purposes of these code sections. Ownership changes could impact the Company's ability to utilize NOL carryforwards remaining at an ownership change date. NOLs expire between 2033 and 2037. At December 31, 2017, the Company also had research and development tax credit carryforwards of approximately $1.9 million, which will expire in 2035 to 2037. Approximately $500,000 of these research and development tax credit carryforwards are included in prepaid expenses and other current assets on the balance sheet at December 31, 2017, as they are expected to be utilized in 2018 as a credit to offset payroll taxes. The remaining amount of research and development tax credit carryforwards are included in net deferred tax assets.

The Company used an annual effective tax rate approach to calculate income taxes for the six months ended June 30, 2018 and 2017 (unaudited). The annual effective tax rate of approximately 0% differs from the federal statutory tax rate due primarily to providing a full valuation allowance on deferred tax assets.

The reconciliation between the Company's effective tax rate and the statutory tax rate is as follows:

	Years Ended December 31,	
	2017	2016
Tax at statutory federal rate	34.0%	34.0%
State tax, net of federal benefit	5.8%	5.8%
Excess tax benefits related to stock-based compensation	(1.0)%	(0.7)%
Effect of Tax Cuts and Jobs Act of 2017	(37.5)%	0.0%
Change in valuation allowance	2.4%	(39.0)%
Other	(3.7)%	(0.1)%
Effective tax rate	0.0%	0.0%

Note 8. Employee Benefit Plan

The Company sponsors a defined contribution retirement savings plan under Section 401(k) of the Internal Revenue Code. This plan covers all employees who meet minimum age and service requirements, and allows participants to defer a portion of their annual compensation on a pre- or post-tax basis. Contributions to the plan by the Company may be made at the discretion of the board of directors. During the years ended December 31, 2017 and 2016, and the six months ended June 30, 2018 and 2017 (unaudited), the Company contributions to the plan amounted to $218,229, $181,186, $150,364, and $104,118, respectively.

Note 9. Related Party Transactions

The Company incurred $96,000, $96,000, $48,000, and $48,000 during the years ended December 31, 2017 and 2016, and the six months ended June 30, 2018 and 2017 (unaudited), respectively, to a scientific advisor who is also a non-management stockholder of the Company. Amounts payable to this advisor was $8,000 at December 31, 2017 and June 30, 2018 (unaudited). There were no amounts payable to this advisor at December 31, 2016.

The Company incurred $110,022, $266,491, $179,624, and $96,022 during the years ended December 31, 2017 and 2016, and the six months ended June 30, 2018 and 2017 (unaudited), respectively, for engineering and design services to a company that is owned by a non-management stockholder of the Company. There were no amounts payable to this company at December 31, 2017 or June 30, 2018 (unaudited). Amounts payable to this company was $12,359 at December 31, 2016.

The 2014 Plan allows for certain members of management to purchase vested options and unvested options (subject to repurchase rights) through a full recourse promissory note and stock pledge agreement. The promissory notes outstanding are recorded as Stock subscription receivable in the accompanying consolidated balance sheets. The notes were forgiven on October 4, 2018, refer to Note 11 for discussion of the note forgiveness. The aggregate principal amounts owed by certain members of management as of December 31, 2017 was $1,752,700.

Note 10. Restatement of Financial Statements

The Company determined that its consolidated financial statements for the years ended December 31, 2017 and 2016, and its interim consolidated financial statements for the six months ended June 30, 2018 included misstatements of the Company's stockholders' equity based on the terms and liquidation preferences on the Preferred Stock, resulting in the classification of the Preferred Stock in mezzanine equity instead of permanent equity. The change in classification of the Preferred Stock also resulted in the Company's warrants for Series C Preferred Stock to be treated as a liability instead of equity on the Company's consolidated balance sheets. The errors impact the Company's consolidated balance sheets, statements of mezzanine equity and stockholders' deficit in each period.

The Company previously presented Preferred Stock on the consolidated balance sheet assuming that the investors in Axonics Europe S.A.S., had converted all of their shares into the Company's Preferred Stock. Since the investors have not exercised their conversion option, they still hold noncontrolling interest in Axonics Europe S.A.S. The Company is correcting this error by disclosing only issued and outstanding shares as Preferred Stock and presenting noncontrolling interests in Axonics Europe S.A.S. as mezzanine equity.

The Company determined that its consolidated financial statements for the years ended December 31, 2017 and 2016, and its interim consolidated financial statements for the six months ended June 30, 2018 included misstatements of the Company's total assets and liabilities, based on the adoption of the comprehensive new lease standard. The Company applied the optional transition method, which allowed it to apply the new lease standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. As this optional transition method is not available for adoption at the time the Company applied it, the Company adopted the new lease standard using the modified retrospective approach, which required us to restate certain previously reported results, including the recognition of additional ROU assets and lease liabilities for operating leases. The errors impact the Company's consolidated balance sheets in each period.

The Company determined that its consolidated statements of comprehensive loss and cash flows for the years ended December 31, 2017 and 2016, and its unaudited interim consolidated statements of comprehensive loss and cash flows for the six months ended June 30, 2018 and 2017 were not impacted by the above misstatements.

The Company assessed the effect of the errors on prior periods' financial statements in accordance with SAB No. 99—Materiality and SAB No. 108—Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements and, based on quantitative and qualitative factors, determined that these errors were material to the consolidated financial statements for the years ended December 31, 2017 and 2016 and the six months ended June 30, 2018 (unaudited). As such, the Company has restated its consolidated financial statements for these periods.

The effect of the adjustments described above is presented in the following table.

December 31, 2016	As previously reported	Adjustments	Restated
Balance sheet data:			
Other assets	$ 107,947	$ 196,380	$ 304,327
Total assets	10,659,621	196,380	10,856,001
Accrued liabilities	773,462	81,226	854,688
Total current liabilities	1,403,768	81,226	1,484,994
Deferred rent, net of current portion	186,358	(186,358)	—
Lease liability, net of current portion	—	301,512	301,512
Total liabilities	1,590,126	196,380	1,786,506
Series A Convertible Preferred Stock (in mezzanine equity)	—	14,020,451	14,020,451
Series B-1 Convertible Preferred Stock (in mezzanine equity)	—	13,757,424	13,757,424
Series B-2 Convertible Preferred Stock (in mezzanine equity)	—	17,572,351	17,572,351
Series A Convertible Preferred Stock (in permanent equity)	103	(103)	—
Series B-1 Convertible Preferred Stock (in permanent equity)	253	(253)	—
Series B-2 Convertible Preferred Stock (in permanent equity)	254	(254)	—
Additional paid-in capital	60,342,739	(58,499,946)	1,842,793
Noncontrolling interest (in mezzanine equity)	—	13,150,330	13,150,330
Total stockholders' equity (deficit)	9,069,495	(58,500,556)	(49,431,061)
Total liabilities, mezzanine equity and stockholders' equity (deficit)	10,659,621	196,380	10,856,001

December 31, 2017	As previously reported	Adjustments	Restated
Balance sheet data:			
Other assets	$ 306,903	$ 115,154	$ 422,057
Total assets	29,296,520	115,154	29,411,674
Accrued liabilities	721,088	68,208	789,296
Total current liabilities	2,336,810	68,208	2,405,018
Deferred rent, net of current portion	88,040	(88,040)	—
Lease liability, net of current portion	—	134,986	134,986
Total liabilities	2,424,850	115,154	2,540,004
Series A Convertible Preferred Stock (in mezzanine equity)	—	14,020,451	14,020,451
Series B-1 Convertible Preferred Stock (in mezzanine equity)	—	13,757,424	13,757,424
Series B-2 Convertible Preferred Stock (in mezzanine equity)	—	17,572,351	17,572,351
Series C Convertible Preferred Stock (in mezzanine equity)	—	16,875,554	16,875,554
Series A Convertible Preferred Stock (in permanent equity)	103	(103)	—
Series B-1 Convertible Preferred Stock (in permanent equity)	253	(253)	—
Series B-2 Convertible Preferred Stock (in permanent equity)	254	(254)	—
Series C Convertible Preferred Stock (in permanent equity)	389	(389)	—
Additional paid-in capital	96,191,666	(93,291,201)	2,900,465
Noncontrolling interest (in mezzanine equity)	—	31,066,420	31,066,420
Total stockholders' equity (deficit)	26,871,670	(93,292,200)	(66,420,530)
Total liabilities, mezzanine equity and stockholders' equity (deficit)	29,296,520	115,154	29,411,674

June 30, 2018	As previously reported	Adjustments	Restated
Balance sheet data (unaudited):			
Accrued liabilities	2,658,850	240,205	2,899,055
Total current liabilities	4,746,254	240,205	4,986,459
Total liabilities	13,784,243	240,205	14,024,448
Series A Convertible Preferred Stock (in mezzanine equity)	—	14,020,451	14,020,451
Series B-1 Convertible Preferred Stock (in mezzanine equity)	—	13,757,424	13,757,424
Series B-2 Convertible Preferred Stock (in mezzanine equity)	—	17,572,351	17,572,351
Series C Convertible Preferred Stock (in mezzanine equity)	—	36,776,198	36,776,198
Series A Convertible Preferred Stock (in permanent equity)	103	(103)	—
Series B-1 Convertible Preferred Stock (in permanent equity)	253	(253)	—
Series B-2 Convertible Preferred Stock (in permanent equity)	254	(254)	—
Series C Convertible Preferred Stock (in permanent equity)	612	(612)	—
Additional paid-in capital	116,661,435	(113,431,827)	3,229,608
Noncontrolling interest (in mezzanine equity)	—	31,066,420	31,066,420
Total stockholders' equity (deficit)	32,015,437	(113,433,049)	(81,417,612)

Note 11. Subsequent Events

Term Loan

In February 2018, the Company entered into the Loan and Security Agreement (the "Loan Agreement"), with Silicon Valley Bank (the "Bank"), providing for a term loan (the "Term Loan"). Pursuant to the Loan Agreement, the Company may request up to $20.0 million in three tranches of term loans with such drawn obligations maturing on June 1, 2021. We requested $10.0 million from the first tranche ("Tranche A"), simultaneously with the entry into the Loan Agreement, which is currently outstanding. The Company may request an additional $5.0 million ("Tranche B"), after the date commencing on the later of (i) the date that the Company achieves positive three-month results in the Company's ARTISAN-SNM pivotal study, as confirmed to the Bank by a member of the Company's management team and a member of its board of directors, and (ii) July 1, 2018, and ending on December 31, 2018 and another $5.0 million ("Tranche C" and together with Tranche A and Tranche B, the "Tranches"), after the date commencing on the later of (i) the date that the Bank receives evidence, in form and substance reasonably satisfactory to the Bank, that the Company has received its PMA in the United States for its r-SNM System or gross proceeds from the sale of its equity securities of not less than $20.0 million, and (ii) January 1, 2019, and ending on March 31, 2019, subject to certain terms and conditions. If either Tranche B or Tranche C is drawn, then the maturity of the Term Loan is automatically extended to December 1, 2021.

The Loan Agreement provides for monthly interest payments through December 31, 2018; provided that, (i) if the Company requests and the Bank funds Tranche B or Tranche C, this interest-only period automatically extends through June 30, 2019, and (ii) if the Company has received a PMA in the United States for its r-SNM System and the Company requests and the Bank funds Tranche C, the interest-only period automatically extends through December 31, 2019. On the first day of the end of the interest-only period, the Company will be required to repay the Term Loan in equal monthly installments of principal plus interest through maturity. Outstanding principal balances under the Term Loan bear interest at the prime rate plus 1.75%.

The Company may prepay amounts outstanding under the Term Loan in increments of $5.0 million at any time with 30 days prior written notice to the Bank. However, all prepayments of the Term Loan prior to maturity, whether voluntary or mandatory (acceleration or otherwise), are also subject to the payment of a prepayment fee equal to (i) for a prepayment made on or after the closing date through and including the first anniversary of the closing date, 3.00% of the principal amount of the Term Loan being prepaid, (ii) for a prepayment made after the date which is the first anniversary of the closing date through and including the

second anniversary of the closing date, 2.00% of the principal amount of the Term Loan being prepaid, and (iii) for a prepayment made after the date which is the second anniversary of the closing date and before the maturity date, 1.00% of the principal amount of the Term Loan being prepaid. Additionally, on the earliest to occur of (i) the maturity date of the Term Loan, (ii) the acceleration of the Term Loan, or (iii) the prepayment of the Term Loan, the Company will be required to make a final payment equal to the original principal amount of such Tranche multiplied by 7.50%. The Company is currently accruing the portion of the final payment calculated based on the amount outstanding under the Term Loan.

All obligations under the Term Loan are secured by a first priority lien on substantially all of the Company's assets, excluding intellectual property assets and more than 65% of the shares of voting capital stock of any of its foreign subsidiaries. The Company has agreed with the Bank not to encumber its intellectual property assets without the Bank's prior written consent unless a security interest in the underlying intellectual property is necessary to have a security interest in the accounts and proceeds that are part of the assets securing the Term Loan, in which case the Company's intellectual property shall automatically be included within the assets securing the Term Loan.

The outstanding balance of the Term Loan at June 30, 2018 (unaudited) is $10,000,000, which is presented net of unamortized debt issuance costs of $1,015,098. As the Company has met conditions to draw Tranche C and therefore not commence making monthly principal payments until January 2020, the outstanding balance of the Term Loan is classified in noncurrent liabilities at June 30, 2018 (unaudited).

Series C Preferred Stock Extension

In March 2018, the board of directors and certain stockholders of the Company approved amending the Company's certificate of incorporation to (i) increase the authorized shares of Preferred Stock from 9,985,862 shares to 12,285,981 shares, (ii) increase the authorized shares of common stock from 15,000,000 shares to 17,500,000 shares, and (iii) increase the designated Series C Preferred Stock from 3,888,889 shares to 6,188,888 shares. Additionally, the board of directors and certain stockholders of the Company also approved increasing the number of shares reserved for issuance under the Plan described in Note 5 from 2,210,708 shares to 2,648,781 shares.

In March 2018, the Company issued an additional 2,233,333 shares of Series C Preferred Stock to investors for gross cash proceeds of $20,099,997. The stock was issued on the same terms, rights, and privileges as the Series C Preferred Stock issued in 2017.

Forgiveness of Loans

On October 4, 2018, the Company entered into an agreement with each of Raymond W. Cohen, Danny L. Dearen, Karen Noblett, M.D., Prabodh Mathur, Guangqiang (Jay) Jiang, Ph.D., John Woock, Ph.D., Michael V. Williamson, and Rinda Sama to terminate each of their respective promissory notes and to forgive all respective obligations for payment thereof in connection with the Company's initial public offering. As a result, on October 4, 2018, the Company forgave loans to the officers referenced above in the aggregate amount of $1,965,944.59, which amount will be recorded as compensation expense.

Through and including , 2018 (the 25th day after the date of this prospectus), all dealers effecting transactions in the common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Shares

Axonics Modulation Technologies, Inc.

Common Stock

PROSPECTUS

BofA Merrill Lynch

Morgan Stanley

Wells Fargo Securities

SunTrust Robinson Humphrey

, 2018

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement, other than underwriting discounts and commissions, all of which will be paid by us. All amounts are estimated except the Securities and Exchange Commission, or SEC, registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and the Nasdaq Global Market listing fee.

	Amount to be paid
SEC registration fee	$ 10,454
FINRA filing fee	*
The Nasdaq Global Market listing fee	*
Blue sky qualification fees and expenses	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees and expenses	*
Miscellaneous expenses	*
Total	*

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers.

We are incorporated under the laws of the State of Delaware. Section 145 of the Delaware General Corporation Law, or the DGCL, provides that a Delaware corporation may indemnify any persons who were, are, or are threatened to be made, parties to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was an officer, director, employee or agent of such corporation, or is or was serving at the request of such corporation as an officer, director, employee or agent of another corporation or enterprise. Except in the case of an action by or in the right of the corporation (*i.e.*, a derivative action), the indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided that such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was illegal. With respect to an action by or in the right of the corporation, the indemnity may only include expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit provided such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests except that no indemnification is permitted without judicial approval if such person is adjudged to be liable, unless the Delaware Court of Chancery, or the court in which such action or suit was brought, determines that despite the adjudication of liability, such person is fairly and reasonably entitled to indemnity for such expenses. Where a present or former officer or director is successful on the merits or otherwise in the defense of any action, suit or proceeding referred to above, the corporation must indemnify him or her against the expenses (including attorneys' fees) by him or her in connection therewith.

Our amended and restated certificate of incorporation and amended and restated bylaws, each of which will become effective upon the completion of this offering, will provide for the indemnification of our directors and officers to the fullest extent permitted under the DGCL.

Section 102(b)(7) of the DGCL permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duties as a director, except for liability for any:

- transaction from which the director derives an improper personal benefit;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- willful or negligent violations of Delaware law governing the authorizations of dividends, stock repurchases, and redemptions, as provided in Section 174 of the DGCL; or
- breach of a director's duty of loyalty to the corporation or its stockholders.

Our amended and restated certificate of incorporation will include such a provision. Expenses incurred by any of our officers or directors in defending any such action, suit or proceeding in advance of its final disposition shall be paid by us upon delivery to us of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified by us.

Section 174 of DGCL provides, among other things, that a director who willfully or negligently approves of an unlawful payment of dividends or an unlawful stock purchase or redemption, may be held liable for such actions. A director who was either absent when the unlawful actions were approved or dissented at the time may avoid liability by causing his or her dissent to such actions to be entered in the books containing minutes of the meetings of the board of directors at the time such action occurred or immediately after such absent director receives notice of such action.

We have entered into or intend to enter into separate indemnification agreements with our directors and officers. These indemnification agreements may require us, among other things, to indemnify our directors and officers for some expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by such director or officer in any action or proceeding arising out of his or her service as one of our directors or officers, or as a director, officer, employee or agent of any of our subsidiaries or any other company or enterprise to which the person provides services at our request.

Except as otherwise disclosed under the heading "Legal Proceedings" in the "Business" section of this registration statement, there is at present no pending or proceeding involving any of our directors or officers as to which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

We maintain a general liability insurance policy that covers certain liabilities of directors and officers of our corporation arising out of claims based on acts or omissions in their capacities as directors or officers and we intend to maintain such insurance coverage.

In any underwriting agreement we enter into in connection with the sale of common stock being registered hereby, the underwriters will agree to indemnify, under certain conditions, us, our directors, our officers and persons who control us within the meaning of the Securities Act against certain liabilities.

Item 15. Recent Sales of Unregistered Securities.

The following sets forth information regarding all unregistered securities sold since January 1, 2015:

Sales of preferred stock and Issuance of Warrants

(1) In December 2015, we sold an aggregate of 2,529,862 shares of Series B-1 preferred stock to a total of eight accredited investors at a purchase price per share of $7.20 for an aggregate purchase price of $18,215,006.40.

(2) In December 2015 and January 2016, we sold an aggregate of 2,537,231 shares of Series B-2 preferred stock to a total of eleven accredited investors at a purchase price per share of $8.00 for an aggregate purchase price of $20,297,848.

(3) In April 2017, we sold an aggregate of 1,606,255 shares of Series C preferred stock to a total of eleven accredited investors at a purchase price per share of $9.00 for an aggregate purchase price of $14,456,295.

(4) In June 2017, we sold an aggregate of 2,282,634 shares of Series C preferred stock to a total of seven accredited investors at a purchase price per share of $9.00 for an aggregate purchase price of $20,543,706.

(5) In March 2018, we sold an aggregate of 2,233,333 shares of Series C preferred stock to a total of three accredited investors at a purchase price per share of $9.00 for an aggregate purchase price of $20,099,997.

(6) In February 2018, in connection with our loan and security agreement with Silicon Valley Bank, we issued warrants to Silicon Valley Bank to purchase 16,667 shares of Series C preferred stock at an exercise price of $9.00 per share, which may be exercised at any time and from time to time before expiration in February 2028. If we borrow an additional $5.0 million from with Silicon Valley Bank before December 31, 2018, the number of shares subject to this warrant will automatically increase by an additional 8,333 shares. In addition, if we borrow an additional $5.0 million from Silicon Valley Bank before March 31, 2019, the number of shares subject to this warrant will automatically increase by an additional 8,333 shares.

(7) In February 2018, in connection with our loan and security agreement with Silicon Valley Bank, we issued warrants to Life Science Loans II, LLC to purchase 16,667 shares of Series C preferred stock at an exercise price of $9.00 per share, which may be exercised at any time and from time to time before expiration in February 2028. If we borrow an additional $5.0 million from Silicon Valley Bank before December 31, 2018, the number of shares subject to this warrant will automatically increase by an additional 8,333 shares. In addition, if we borrow an additional $5.0 million from Silicon Valley Bank before March 31, 2019, the number of shares subject to this warrant will increase by an additional 8,333 shares.

Plan-Related Issuances

(8) Since March 1, 2014, we have granted to our directors, employees, consultants, and other service providers options to purchase 2,645,253 shares of our common stock with per share exercise prices ranging from $1.16 to $2.49 under the 2014 Plan.

(9) Since January 1, 2015, we have issued an aggregate of 1,433,816 shares of our common stock to employees, directors, consultants and other service providers upon their exercise of stock options, for aggregate consideration of $1,863,346.

None of the foregoing transactions involved any underwriters, underwriting discounts, or commissions, or any public offering. The offers, sales and issuances of securities listed above were deemed exempt from registration in reliance on Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder or

Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or transactions pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed on the share certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

See the Exhibit Index attached to this registration statement, which is incorporated by reference herein.

(b) Financial Statement Schedules.

Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters, at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned hereby undertakes that:

i. For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

ii. For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

EXHIBIT INDEX

Exhibit Number	Exhibit Title
1.1*	Form of Underwriting Agreement.
3.1	Fourth Amended and Restated Certificate of Incorporation of the Registrant, as currently in effect.
3.2	Certificate of Amendment of Fourth Amended and Restated Certificate of Incorporation of the Registrant, dated August 3, 2017.
3.3	Certificate of Amendment of Fourth Amended and Restated Certificate of Incorporation of the Registrant, dated February 1, 2018.
3.4	Certificate of Amendment of Fourth Amended and Restated Certificate of Incorporation of the Registrant, dated March 29, 2018.
3.5*	Form of Amended and Restated Certificate of Incorporation, to be effective in connection with the completion of this offering.
3.6	Bylaws of the Registrant, as currently in effect.
3.7*	Form of Amended and Restated Bylaws, to be effective in connection with the completion of this offering.
4.1	Specimen certificate evidencing shares of common stock of the Registrant.
4.2	Fourth Amended and Restated Investors' Rights Agreement, dated March 29, 2018, by and among the Registrant and the Investors party thereto.
4.3	Warrant to Purchase Series C preferred stock, dated February 6, 2018, issued by the Registrant to Silicon Valley Bank.
4.4	Warrant to Purchase Series C preferred stock, dated February 6, 2018, issued by the Registrant to Life Science Loans II, LLC.
5.1*	Opinion of K&L Gates LLP.
10.1†	License Agreement, dated October 1, 2013, by and between the Alfred E. Mann Foundation for Scientific Research and the Registrant.
10.2†	First Amendment to License Agreement, dated February 19, 2014, by and between the Alfred E. Mann Foundation for Scientific Research and the Registrant.
10.3†	Second Amendment to License Agreement, dated February 25, 2014, by and between the Alfred E. Mann Foundation for Scientific Research and the Registrant.
10.4	Side Letter, dated October 1, 2013, by and between the Alfred E. Mann Foundation for Scientific Research and the Registrant.
10.5+	2014 Stock Incentive Plan, as amended.
10.6+	Form of Option Award Agreement under 2014 Stock Incentive Plan.
10.7+	Form of Restricted Stock Purchase Agreement under 2014 Stock Incentive Plan.
10.8+*	2018 Omnibus Incentive Plan.
10.9+*	Form of Option Award Agreement under 2018 Omnibus Incentive Plan.
10.10+*	Form of Restricted Shares Award Agreement under 2018 Omnibus Incentive Plan.
10.11+*	Form of RSU Award Agreement under 2018 Omnibus Incentive Plan.
10.12+*	Form of Indemnification Agreement by and between the Registrant and its directors and officers.

Exhibit Number	Exhibit Title
10.13	Lease, dated November 30, 2017, by and between The Irvine Company LLC and the Registrant.
10.14	First Amendment to Lease, dated April 12, 2018, by and between The Irvine Company LLC and the Registrant.
10.15	Second Amendment to Lease, dated July 11, 2018, by and between The Irvine Company LLC and the Registrant.
10.16	Loan and Security Agreement, dated February 6, 2018, by and between Silicon Valley Bank and the Registrant.
10.17+	Executive Employment Agreement, dated May 22, 2014, by and between Raymond W. Cohen and the Registrant.
10.18+	Executive Employment Agreement, dated May 22, 2014, by and between Danny L. Dearen and the Registrant.
10.19+	Executive Employment Agreement, dated October 2, 2017, by and between Karen Noblett, M.D. and the Registrant.
10.20+	Executive Employment Agreement, dated November 15, 2017, by and between Alfred Ford and the Registrant.
10.21+	Executive Employment Agreement, dated May 22, 2014, by and between Guangqiang (Jay) Jiang, Ph.D. and the Registrant.
10.22+	Executive Employment Agreement, dated May 22, 2014, by and between Prabodh Mathur and the Registrant.
10.23+	Executive Employment Agreement, dated May 22, 2014, by and between Michael V. Williamson and the Registrant.
10.24+	Executive Employment Agreement, dated July 24, 2018, by and between John Woock, Ph.D. and the Registrant.
10.25+	Executive Employment Agreement, dated January 1, 2015, by and between Rinda Sama and the Registrant.
10.26+	Form of Secured Full Recourse Promissory Note under 2014 Stock Incentive Plan.
10.27+	Form of Stock Pledge Agreement under 2014 Stock Incentive Plan.
10.28+	Form of Debt Forgiveness Agreement and Cancellation of Note (Tax Withholding—Shares).
10.29+	Form of Debt Forgiveness Agreement and Cancellation of Note (Tax Withholding—Cash).
10.30	Fourth Amended and Restated Share Exchange Agreement, dated June 30, 2017, by and among the Registrant, BioDiscovery 4 FCPR and Coöperatieve Gilde Healthcare IV U.A.
16.1	Letter from Peterson Sullivan LLP to the Securities and Exchange Commission, dated October 5, 2018.
21.1	List of subsidiaries.
23.1	Consent of BDO USA, LLP, an independent registered public accounting firm.
23.2*	Consent of K&L Gates LLP (included in Exhibit 5.1).
24.1	Power of Attorney (included on signature page hereto).
99.1	Consent of Director Nominee.

* To be filed by amendment.

\+ Indicates management contract or compensatory plan.

† The Registrant has sought confidential treatment with respect to certain omitted portions of this exhibit.

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SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Irvine, State of California, on the 5th day of October, 2018.

AXONICS MODULATION TECHNOLOGIES, INC.

By: /s/ Raymond W. Cohen
Raymond W. Cohen
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Raymond W. Cohen and Danny L. Dearen, and each of them, as his or her true and lawful attorneys-in-fact and agents, each with the full power of substitution, for him or her and in his or her name, place or stead, in any and all capacities, to sign any and all amendments to this registration statement (including post-effective amendments), and to sign any registration statement for the same offering covered by this registration statement that is to be effective upon filing pursuant to Rule 462(b) promulgated under the Securities Act of 1933, as amended, and all post-effective amendments thereto, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Raymond W. Cohen Raymond W. Cohen	Chief Executive Officer and Member of the Board of Directors (Principal Executive Officer)	October 5, 2018
/s/ Danny L. Dearen Danny L. Dearen	President and Chief Financial Officer (Principal Accounting Officer)	October 5, 2018
/s/ Raphaël Wisniewski Raphaël Wisniewski	Director	October 5, 2018
/s/ Erik Amble, Ph.D. Erik Amble, Ph.D.	Director	October 5, 2018
/s/ Geoff Pardo Geoff Pardo	Director	October 5, 2018
/s/ John Petrovich John Petrovich	Director	October 5, 2018
/s/ Shahzad Malik, M.B. BChir Shahzad Malik, M.B. BChir	Director	October 5, 2018
/s/ Juliet Tammenoms Bakker Juliet Tammenoms Bakker	Director	October 5, 2018

FOURTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF AXONICS MODULATION TECHNOLOGIES, INC.

Raymond Cohen hereby certifies as follows:

1. He is the Chief Executive Officer of Axonics Modulation Technologies, Inc., a Delaware corporation (the "**Corporation**").

2. That the Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on March 2, 2012 under the name "American Restorative Medicine, Inc." An Amended and Restated Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on August 15, 2013. A Second Amended and Restated Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on March 12, 2014. A Third Amended and Restated Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on December 4, 2015.

3. This Fourth Amended and Restated Certificate of Incorporation restates and amends the Third Amended and Restated Certificate of Incorporation, as amended to date.

* * *

ARTICLE 1

The name of this corporation (the "**Corporation**") is as follows:

Axonics Modulation Technologies, Inc.

ARTICLE 2

The address of the registered office of the Corporation in the State of Delaware is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, County of New Castle. The name of the Corporation's registered agent at that address is Corporation Service Company.

ARTICLE 3

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "**DGCL**") other than the banking business, or the trust company business.

ARTICLE 4

A. The Corporation is authorized to issue two classes of stock to be designated, respectively, "**Common Stock**" and "**Preferred Stock**." The total number of shares which the Corporation is authorized to issue is 24,985,982 shares, of which 15,000,000 shares shall be Common Stock, $0.0001 par value per share, and 9,985,982 shares shall be Preferred Stock, $0.0001 par value per share, of which 1,030,000 shares shall be designated "**Series A Preferred Stock**," 2,529,862 shares shall be designated "**Series B-1 Preferred Stock**," 2,537,231 shares shall be

designated "**Series B-2 Preferred Stock**," and 3,888,889 shares shall be designated "**Series C Preferred Stock**."

B. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares of Common Stock then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of this Fourth Amended and Restated Certificate of Incorporation) the affirmative vote of the holders of a majority of the stock of the Corporation (voting together as a single class on an as-if converted basis), irrespective of the provisions of Section 242(b)(2) of the DGCL.

C. The rights, preferences, privileges and restrictions granted to and imposed on the Series A Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock and the Series C Preferred Stock are as set forth below in this Article 4(C).

1. Dividends.

(a) The holders of shares of Series A Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock and Series C Preferred Stock shall be entitled to receive noncumulative dividends, out of any assets legally available therefore, on a pari passu basis and prior and in preference to any declaration or payment of any dividend (payable other than in Common Stock) on the Common Stock of the Corporation, following the date of issuance of such shares, payable when, as and if declared by the Board of Directors of the Corporation (the "**Board of Directors**"). In the event dividends are paid on any shares of Common Stock (payable other than in Common Stock, as described in Section 4(d)(iii) below), which dividends shall not be paid until any dividends declared on the Series A Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock and Series C Preferred Stock as set forth above have been paid in full, the holders of Series A Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock and Series C Preferred Stock will be entitled to receive an additional dividend pro rata, based on the number of shares of Common Stock held by each holder of Series A Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock and Series C Preferred Stock, as determined on an as-if converted basis.

(b) California Corporations Code ("CCC") Sections 502 and 503 shall not apply with respect to payments and distributions on shares junior to the Preferred Stock as they relate to (i) repurchases of Common Stock issued to or held by employees, officers, directors or consultants of the Corporation or its subsidiaries upon termination of their employment or services pursuant to agreements providing for the right of said repurchase; (ii) repurchases of Common Stock issued to or held by employees, officers, directors or consultants of the Corporation or its subsidiaries pursuant to rights of first refusal contained in agreements providing for such right; or (iii) repurchases of Common Stock in connection with the settlement of disputes with any stockholder.

2. Liquidation Preference.

(a) In the event of any Liquidation (as defined below) of the Corporation, either voluntary or involuntary, the holders of Series A Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock and Series C Preferred Stock shall be entitled to receive out of assets or surplus funds of the Corporation legally available for distribution, on a pari passu basis, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of Common Stock by reason of their ownership thereof, a preference amount per share consisting of the sum of (A) (i) 1.0 times the Original Series C Purchase Price (as defined below), for each

outstanding share of Series C Preferred Stock and (ii) 1.1 times the Original Series A Purchase Price (as defined below), the Original Series B-1 Purchase Price (as defined below) or the Original Series B-2 Purchase Price (as defined below), for each outstanding share of Series A Preferred Stock, Series B-1 Preferred Stock and Series B-2 Preferred Stock, respectively, and (B) an amount equal to all declared but unpaid dividends on each such share of Series A Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock or Series C Preferred Stock, as the case may be, if any, before any sums shall be paid or any assets distributed among the holders of shares of Common Stock. If upon the occurrence of such event, the assets and funds thus distributed among the holders of Series A Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock and Series C Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution shall be distributed among such holders in proportion to the full preferential amount each such holder is otherwise entitled to receive. The "**Original Series A Purchase Price**" shall mean $20.00 per share of Series A Preferred Stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to the Series A Preferred Stock). The "**Original Series B-1 Purchase Price**" shall mean $7.20 per share of Series B-1 Preferred Stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to the Series B-1 Preferred Stock). The "**Original Series B-2 Purchase Price**" shall mean $8.00 per share of Series B-2 Preferred Stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to the Series B-2 Preferred Stock). The "**Original Series C Purchase Price**" shall mean $9.00 per share of Series C Preferred Stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to the Series C Preferred Stock).

(b) After distribution to the holders of the Preferred Stock of the amounts set forth in subparagraph (a), the remaining assets and surplus funds of the Corporation legally available for distribution shall be distributed to the holders of Common Stock, Series A Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock and Series C Preferred Stock pro-rata, on an as-if converted basis.

(c) For purposes of this Section 2, a **"Liquidation"** shall be deemed to be occasioned by, or to include, each of the following: (i) the acquisition of the Corporation by another entity by means of any transaction or series of related transactions, including, without limitation, any reorganization, merger or consolidation in which the stockholders of the Corporation, prior to such transaction or transactions, do not continue to hold more than fifty percent (50%) of the voting power of the surviving or acquiring entity (or if the surviving or acquiring entity is a wholly-owned subsidiary, its parent) (but, excluding (A) any merger effected exclusively for the purpose of changing the domicile of the Corporation and (B) any transaction or series of transactions for principally bona fide equity financing purposes), (ii) a transaction or series of related transactions in which stockholders transfer more than fifty percent (50%) of the voting power of the Corporation, (iii) a sale or other disposition (including by way of exclusive license) of all or substantially all of the assets of the Corporation or (iv) any liquidation, dissolution or winding up of the Corporation. In any of such events, if the consideration received by the Corporation received is other than cash, its value will be deemed its fair market value, as determined in good faith by the Board of Directors on the date of determination. The treatment of any particular transaction or series of related transaction as a Liquidation may be waived by the vote or written consent of the holders of two-thirds of the then-outstanding shares of Preferred Stock voting as a single class.

(d) In the event of a Liquidation, if any portion of the consideration payable to the stockholders of the Corporation is payable only upon satisfaction of contingencies (the "**Additional Consideration**"), the acquisition agreement shall provide that (i) the portion of such consideration that is not Additional Consideration (such portion, the "**Initial Consideration**") shall be allocated among the holders of capital stock of the Corporation in accordance with Section 2 as if the Initial Consideration were the only consideration payable in connection with such Liquidation; and (ii) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Section 2 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Section 2(d), consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Liquidation shall be deemed to be Initial Consideration.

3. Voting Rights.

(a) Except as otherwise expressly provided herein or as required by law, the holder of each share of Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which such share of Preferred Stock could be converted (calculated assuming the exercise of any outstanding right of any person to exchange his, her or its equity interest in Axonics Europe, S.A.S. for shares of Preferred Stock of the Corporation), shall vote together with the Common Stock as a single class, and shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of the Corporation. Fractional votes shall not, however, be permitted, and any fractional voting rights resulting from the above formula (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward).

(b) The Board of Directors shall consist of eight (8) members. Notwithstanding the provisions of Section 3(a) above, at each annual or special meeting called, or pursuant to each written consent, for the purpose of electing directors (i) the holders of Series A Preferred Stock, voting as a separate class, shall be entitled to elect three (3) members of the Board of Directors, (ii) the holders of Common Stock, voting as a separate class, shall be entitled to elect one (1) member of the Board of Directors, (iii) the holders of Series B-1 Preferred Stock and Series B-2 Preferred Stock voting together as a separate class shall be entitled to elect one (1) member of the Board of Directors, (iv) the holders of Series C Preferred Stock, voting as a separate class, shall be entitled to elect two (2) members of the Board of Directors, and (v) the remaining director shall be elected jointly by the holders of a majority in voting power of the Preferred Stock and the holders of a majority in voting power of the Common Stock. The provisions of this Section 3(b) shall expire and be of no further force or effect upon conversion of all outstanding shares of Preferred Stock into Common Stock pursuant to the provisions of Section 4 hereof. In the case of any vacancy in the office of a director elected by a specified group of stockholders, a successor shall be elected to hold office for the unexpired term of such director by the affirmative vote of a majority (or as otherwise provided by applicable law) of the shares of such specified group given at a special meeting of such stockholders duly called or by an action by written consent for that purpose. Any director who shall have been elected by a specified group of stockholders may be removed during the aforesaid term of office, either for or without cause, by, and only by, the affirmative vote of the holders of a majority (or as otherwise provided by applicable law) of the shares of such specified group, given at a special meeting of such stockholders duly called or by an action by written consent for that purpose, and any such vacancy thereby created may be filled by the vote of the holders of a majority of the shares of such specified group represented at such meeting or in such consent.

(c) No person entitled to vote at an election for directors may cumulate votes to which such person is entitled, unless, at the time of such election, the Corporation is determined to be subject to Section 2115 of the CCC. During such time or times that the Corporation is subject to Section 2115(b) of the CCC, every stockholder entitled to vote at an election for directors may cumulate such stockholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which such stockholder's shares are otherwise entitled, or distribute the stockholder's votes on the same principle among as many candidates as such stockholder desires. No stockholder, however, shall be entitled to so cumulate such stockholder's votes unless (i) the names of such candidate or candidates have been placed in nomination prior to the voting and (ii) the stockholder has given notice at the meeting, prior to the voting, of such stockholder's intention to cumulate such stockholder's votes. If any stockholder has given proper notice to cumulate votes, all stockholders may cumulate their votes for any candidates who have been properly placed in nomination. Under cumulative voting, the candidates receiving the highest number of votes, up to the number of directors to be elected, are elected.

(d) During such time or times that the Corporation is subject to Section 2115(b) of the CCC, one or more directors may be removed from office at any time without cause by the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote for that director as provided above; provided, however, that unless the entire Board of Directors is removed, no individual director may be removed when the votes cast against such director's removal, or not consenting in writing to such removal, would be sufficient to elect that director if voted cumulatively at an election which the same total number of votes were cast (or, if such action is taken by written consent, all shares entitled to vote were voted) and the entire number of directors authorized at the time of such director's most recent election were then being elected.

4. Conversion. The holders of the Preferred Stock shall have conversion rights as follows (the "**Conversion Rights**"):

(a) **Right to Convert.**

(i) Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the filing date of this Fourth Amended and Restated Certificate of Incorporation (the "**Filing Date**"), at the office of the Corporation or any transfer agent for such share, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Original Series A Purchase Price by the Series A Conversion Price (as defined below), determined as hereinafter provided, each as in effect on the date of effective conversion pursuant to Section 4(c) herein. The "**Series A Conversion Price**" per share of Series A Preferred Stock initially shall be $11.32, and shall be subject to adjustment as set forth in Section 4(d) herein.

(ii) Each share of Series B-1 Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the Filing Date, at the office of the Corporation or any transfer agent for such share, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Original Series B-1 Purchase Price by the Series B-1 Conversion Price (as defined below), determined as hereinafter provided, each as in effect on the date of effective conversion pursuant to Section 4(c) herein. The "**Series B-1 Conversion Price**" per share of Series B-1 Preferred Stock initially shall be the Original Series B-1 Purchase Price, and shall be subject to adjustment as set forth in Section 4(d) herein.

(iii) Each share of Series B-2 Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the Filing Date, at the office of the Corporation or any transfer agent for such share, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Original Series B-2 Purchase Price by the Series B-2 Conversion Price (as defined below), determined as hereinafter provided, each as in effect on the date of effective conversion pursuant to Section 4(c) herein. The "**Series B-2 Conversion Price**" per share of Series B-2 Preferred Stock initially shall be the Original Series B-2 Purchase Price, and shall be subject to adjustment as set forth in Section 4(d) herein.

(iv) Each share of Series C Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the Filing Date, at the office of the Corporation or any transfer agent for such share, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Original Series C Purchase Price by the Series C Conversion Price (as defined below), determined as hereinafter provided, each as in effect on the date of effective conversion pursuant to Section 4(c) herein. The "**Series C Conversion Price**" per share of Series C Preferred Stock initially shall be the Original Series C Purchase Price, and shall be subject to adjustment as set forth in Section 4(d) herein. The "**Conversion Price**" shall mean the Series A Conversion Price, Series B-1 Conversion Price, Series B-2 Conversion Price and Series C Conversion Price, as applicable.

(b) **Automatic Conversion.** Each share of Preferred Stock shall automatically be converted into shares of Common Stock at the then effective and applicable Conversion Price as provided in Section 4(a) above, immediately upon (i) the closing of a firm commitment underwritten public offering of Common Stock registered under the Securities Act of 1933, as amended (the "**Securities Act**"), but not including any registration relating solely to a transaction under Rule 145 of the Securities Act or to an employee benefit plan of the Corporation, with aggregate gross proceeds of at least $50,000,000 (before deduction of underwriters commissions and expenses), a per share price equal to at least $18.00 (as adjusted for stock splits, combinations, stock dividends, recapitalizations and the like) and the listing of the Common Stock on an United States securities exchange (a "**Qualified IPO**"), or (ii) upon the election of the holders of more than fifty percent (50%) of the outstanding shares of Preferred Stock, voting together as a single class on an as-if converted basis (calculated assuming the exercise of any outstanding right of any person to exchange his, her or its equity interest in Axonics Europe, S.A.S. for shares of Preferred Stock of the Corporation).

(c) **Mechanics of Conversion.** Before any holder of Preferred Stock shall be entitled to convert the same into shares of Common Stock, such holder shall surrender the certificate or certificates thereof, duly endorsed (or an affidavit of loss reasonably acceptable to the Corporation), at the office of the Corporation or of any transfer agent for such stock, and shall give written notice to the Corporation at such office that it elects to convert the same and shall state therein the name or names in which it wishes the certificate or certificates for shares of Common Stock to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder a certificate or certificates for the number of shares of Common Stock to which it shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of surrender of the shares of Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date and shall pay in cash, or to the extent sufficient funds are not legally available therefore, in Common Stock (at the fair market value as determined by the Board of

Directors in good faith), any declared and unpaid dividends on the shares being converted. If the conversion is in connection with a Qualified IPO, the conversion, if designated by the holder, will be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock upon conversion the Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such Qualified IPO.

(d) **Conversion Price Adjustments of Preferred Stock for Certain Dilutive Issuances, Splits and Combinations and Recapitalizations.**

(i) The Conversion Price of the Preferred Stock shall be subject to adjustment from time to time as follows:

(A) (1) **Adjustment of Series A Conversion Price.** Upon each issuance by the Corporation of any Additional Stock (as defined below) after the Filing Date, without consideration or for a consideration per share less than the Series A Conversion Price in effect immediately prior to the issuance of such Additional Stock, the Series A Conversion Price in effect immediately prior to each issuance shall forthwith (except as otherwise provided in this clause (i)) be adjusted to a price determined by multiplying the Series A Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance plus the number of shares of Common Stock that the aggregate consideration received by the Corporation for such issuance would purchase at the Series A Conversion Price in effect immediately prior to such issuance, and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance plus the number of shares of such Additional Stock so issued.

(2) **Adjustment of Series B-1 Conversion Price.** Upon each issuance by the Corporation of any Additional Stock after the Filing Date, without consideration or for a consideration per share less than the Series B-1 Conversion Price in effect immediately prior to the issuance of such Additional Stock, the Series B-1 Conversion Price in effect immediately prior to each issuance shall forthwith (except as otherwise provided in this clause (i)) be adjusted to a price determined by multiplying the Series B-1 Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance plus the number of shares of Common Stock that the aggregate consideration received by the Corporation for such issuance would purchase at the Series B-1 Conversion Price in effect immediately prior to such issuance, and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance plus the number of shares of such Additional Stock so issued.

(3) **Adjustment of Series B-2 Conversion Price.** Upon each issuance by the Corporation of any Additional Stock after the Filing Date, without consideration or for a consideration per share less than the Series B-2 Conversion Price in effect immediately prior to the issuance of such Additional Stock, the Series B-2 Conversion Price in effect immediately prior to each issuance shall forthwith (except as otherwise provided in this clause (i)) be adjusted to a price determined by multiplying the Series B-2 Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance plus the number of shares of Common Stock that the aggregate consideration received by the Corporation for such issuance would purchase at the Series B-2 Conversion Price in effect immediately prior to such issuance, and the denominator of which shall be the number of shares of Common Stock

outstanding immediately prior to such issuance plus the number of shares of such Additional Stock so issued.

(4) **Adjustment of Series C Conversion Price.** Upon each issuance by the Corporation of any Additional Stock after the Filing Date, without consideration or for a consideration per share less than the Series C Conversion Price in effect immediately prior to the issuance of such Additional Stock, the Series C Conversion Price in effect immediately prior to each issuance shall forthwith (except as otherwise provided in this clause (i)) be adjusted to a price determined by multiplying the Series C Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance plus the number of shares of Common Stock that the aggregate consideration received by the Corporation for such issuance would purchase at the Series C Conversion Price in effect immediately prior to such issuance, and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance plus the number of shares of such Additional Stock so issued.

(5) For the purpose of the calculations in Sections 4(d)(i)(A)(1), (2), (3) and (4) above, the number of shares of Common Stock deemed outstanding immediately prior to such issuance of Additional Stock shall be calculated as if all shares of all series of Preferred Stock had been fully converted into shares of Common Stock immediately prior to such issuance (calculated assuming the exercise of any outstanding right of any person to exchange his, her or its equity interest in Axonics Europe, S.A.S. for shares of Preferred Stock of the Corporation), and the number of shares of Common Stock which could be obtained through the exercise or conversion of all vested options, warrants or other rights for the purchase of shares of stock or convertible securities outstanding immediately prior to such issuance. In the event that the number of shares of Additional Stock or the consideration per share cannot be determined at the time of issuance, such Additional Stock shall be deemed issued immediately upon the occurrence of the first event that makes such number of shares or the consideration, as applicable, determinable.

(B) No adjustment of the Conversion Price shall be made in an amount less than one cent ($0.01) per share, provided that any adjustments that are not required to be made by reason of this sentence shall be carried forward and shall be either taken into account in any subsequent adjustment made prior to three (3) years from the date of the event giving rise to the adjustment being carried forward, or shall be made at the end of three (3) years from the date of the event giving rise to the adjustment being carried forward, and upon such adjustment the Conversion Price shall be rounded up or down to the nearest cent. Except to the limited extent provided for in Sections 4(d)(i)(E)(3) and (4), no adjustment of such Conversion Price pursuant to this Section 4(d)(i) shall have the effect of increasing such Conversion Price above the Conversion Price in effect immediately prior to such adjustment.

(C) In the case of the issuance of Common Stock for cash, the consideration shall be deemed to be the amount of cash paid therefore before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Corporation for any underwriting or otherwise in connection with the issuance and sale thereof.

(D) In the case of the issuance of the Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined in good faith by the Board of Directors irrespective of any accounting treatment.

(E) In the case of the issuance of options to purchase or rights to subscribe for Common Stock, securities by their terms convertible into or exchangeable for Common Stock or options to purchase or rights to subscribe for such convertible or exchangeable securities, the following provisions shall apply for all purposes of this Section 4(d)(i) and Section 4(d)(ii):

(1) The aggregate maximum number of shares of Common Stock deliverable upon exercise (whether or not then exercisable) of such options to purchase or rights to subscribe for Common Stock shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in Sections 4(d)(i)(C) and (D)), if any, received by the Corporation upon the issuance of such options or rights plus the minimum exercise price provided in such options or rights for the Common Stock covered thereby.

(2) The aggregate maximum number of shares of Common Stock deliverable upon conversion of or in exchange (whether or not then convertible or exchangeable) for any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options or rights were issued and for a consideration equal to the consideration, if any, received by the Corporation for any such securities and related options or rights (excluding any cash received on account of accrued interest or declared dividends), plus the minimum additional consideration, if any, to be received by the Corporation upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in Sections 4(d)(i)(C) and (D); provided, that if the minimum amounts of such consideration cannot be ascertained, but are a function of antidilution or similar protective clauses, the Corporation shall be deemed to have received the minimum amounts of consideration without reference to such clauses.

(3) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to the Corporation upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities, including, but not limited to, a change resulting from the antidilution provisions thereof (other than the provisions of this Section 4(d)), the Conversion Price, to the extent in any way affected by or computed using such options, rights or securities, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise of any such options or rights or the conversion or exchange of such securities.

(4) Upon the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Conversion Price, to the extent in any way affected by or computed using such options, rights or securities, shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and convertible or exchangeable securities that remain in effect) actually issued upon the exercise of such options or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities.

(5) The number of shares of Common Stock deemed issued and the consideration deemed paid therefore pursuant to Sections 4(d)(i)(E)(1) and (2) shall be

appropriately adjusted to reflect any change, termination or expiration of the type described in either Sections 4(d)(i)(E)(3) or (4).

(ii) "**Additional Stock**" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to Section 4(d)(i)(E)) by the Corporation after the Filing Date other than Common Stock (or securities convertible or exercisable into Common Stock) issued or issuable:

(A) pursuant to a transaction described in Sections 4(e) or 4(f) hereof;

(B) to employees, independent contractors, consultants, officers, directors, advisors, vendors, customers or other service providers of the Corporation or any subsidiary of the Corporation as bonuses, awards, arrangements, warrants or agreements pursuant to stock incentive plans approved by the Board of Directors and the stockholders of the Corporation, including any such shares issued pursuant to options or subject to options issued on or prior to the Filing Date;

(C) upon conversion of the Preferred Stock;

(D) upon conversion or exercise of securities outstanding as of the Filing Date;

(E) in connection with the acquisition of a business entity or business segment of any such entity by the Corporation by merger, purchase, consolidation or other similar business combination, as approved by the Board of Directors;

(F) in connection with equipment leases, real property leases, bank financings or similar transactions, as approved by the Board of Directors, provided that such transactions do not have equity financing as a substantial component;

(G) in connection with strategic alliances, as approved by the Board of Directors, provided that such transactions do not have equity financing as a substantial component;

(H) in a public offering in connection with which all outstanding shares of Preferred Stock are converted into Common Stock; or

(I) upon the written consent of the holders of at least two thirds of the then outstanding shares of Preferred Stock, voting as a single class (calculated assuming the exercise of any outstanding right of any person to exchange his, her or its equity interest in Axonics Europe, S.A.S. for shares of Preferred Stock of the Corporation).

(iii) In the event the Corporation should at any time or from time to time after the Filing Date fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock, without a corresponding adjustment to the outstanding Preferred Stock, or the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (hereinafter referred to as "**Common Stock Equivalents**") without payment of any consideration by

such holder for the additional shares of Common Stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Conversion Price of each series of Preferred Stock shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding and those issuable with respect to such Common Stock Equivalents.

(iv) If the number of shares of Common Stock outstanding at any time after the Filing Date is decreased by a combination of the outstanding shares of Common Stock, without a corresponding adjustment to the outstanding shares of Preferred Stock, then, following the record date of such combination, the Conversion Price for each series of Preferred Stock shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in outstanding shares.

(e) **Other Distributions.** Subject to Section 2, in the event the Corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights, then, in each such case for other purposes of this Section 4(e), the holders of the Preferred Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of the Corporation into which their shares of Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution.

(f) **Recapitalizations.** If at any time or from time to time there shall be a recapitalization of Common Stock (other than a subdivision or combination of stock provided for elsewhere in this Section 4), provision shall be made so that the holders of the Preferred Stock shall thereafter be entitled to receive upon conversion of such Preferred Stock the number of shares of stock or other securities or property of the Corporation or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4 with respect to the rights of the holders of Preferred Stock after the recapitalization to the end that the provisions of this Section 4 (including adjustment of the Conversion Price then in effect and the number of shares purchasable upon conversion of Preferred Stock) shall be applicable after that event as nearly equivalent as may be practicable.

(g) **No Impairment.** The Corporation will not, without the requisite vote of the stockholders required by Section 6 hereunder, by amendment of this Fourth Amended and Restated Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 4 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of Preferred Stock against impairment.

(h) **Certificates as to Adjustments.** Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 4, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Stock a certificate setting forth such adjustment or

readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Preferred Stock furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of Preferred Stock.

(i) **Notices of Record Date.** In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any security or right convertible into or entitling the holder thereof to receive or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, the Corporation shall mail to each holder of Preferred Stock at least twenty (20) days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution, security or right, and the amount and character of such dividend, distribution, security or right.

(j) **Reservation of Stock Issuable Upon Conversion.** The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Preferred Stock and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Fourth Amended and Restated Certificate of Incorporation.

(k) **Fractional Shares.** No fractional share shall be issued upon the conversion of any share or shares of Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of a fraction of a share of Common Stock, the Corporation shall, in lieu of issuing any fractional share, pay the holder otherwise entitled to such fraction a sum in cash equal to the fair market value of such fraction on the date of conversion (as determined in good faith by the Board of Directors).

(l) **Notices.** Any notice required by the provisions of this Section 4 shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed electronic mail if sent during normal business hours of the recipient; if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) three (3) days after deposit with an internationally recognized overnight courier, specifying next day delivery, with verification of receipt. All notices shall be addressed to each holder of record at the address of such holder appearing on the books of the Corporation.

(m) **Payment of Taxes.** The Corporation will pay all taxes (other than taxes based upon income) and other governmental charges that may be imposed with respect to the issue or

delivery of shares of Common Stock upon conversion of shares of Preferred Stock, excluding any tax or other charge imposed in connection with any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered.

5. Redemption. The shares of Preferred Stock shall not be redeemable.

6. Protective Provisions. So long as any shares of Preferred Stock are outstanding, the Corporation shall not, by merger, recapitalization or otherwise, without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least two-thirds of the outstanding shares of Preferred Stock, voting together as a single class, and on an as-if converted basis (calculated assuming the exercise of any outstanding right of any person to exchange his, her or its equity interest in Axonics Europe, S.A.S. for shares of Preferred Stock of the Corporation):

(a) authorize or issue any security with any rights that are *pari passu* with, or superior to, the rights of the Preferred Stock or reclassify any class or series of capital stock;

(b) pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than repurchases of Common Stock from the Corporation's employees upon termination of their employment;

(c) approve or effect any Liquidation;

(d) amend the Corporation's Certificate of Incorporation or Bylaws;

(e) issue any security of a subsidiary other than to the Corporation;

(f) increase the number of shares of capital stock and/or options available for issuance to employees, officers, directors, consultants and advisors;

(g) incur any indebtedness or issuing any guaranty of any third party obligation;

(h) acquire any asset or equity interest outside of the ordinary course of business;

(i) grant any payment or other consideration to any person or entity in connection with a Liquidation other than in respect of any outstanding equity interest in the Corporation; or

(j) change the Strategy.

"**Strategy**" shall mean the Corporation's making, having made, leasing, offering to lease, use, sale, offering for sale, marketing, promoting, advertising, importing, researching, developing and commercialization of Licensed Products in the Fields in the Territory as such terms are defined in that certain License Agreement by and between the Alfred E. Mann Foundation for Scientific Research and the Corporation dated October 1, 2013, as subsequently amended.

7. No Reissuances of Preferred Stock. No share or shares of a designated series of Preferred Stock acquired by the Corporation by reason of purchase, conversion or otherwise shall be reissued as shares of such series, and all such shares shall be returned to the status of undesignated shares of Preferred Stock.

D. The rights, preferences, privileges, restrictions and other matters relating to the Common Stock are as follows:

1. Dividends. Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of any assets of the Corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

2. Liquidation Rights. Upon the liquidation, dissolution or winding up of the Corporation, the assets of the Corporation shall be distributed as provided in Section 2 of Division (C) of this Article 4.

3. Redemption. The shares of Common Stock shall not be redeemable.

4. Voting Rights. The holder of each share of Common Stock shall have the right to one vote, and shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of the Corporation, and shall be entitled to vote upon such manners and in such manner as may be provided by law and this Fourth Amended and Restated Certificate of Incorporation.

ARTICLE 5

A. The liability of the directors of the Corporation for monetary damages shall be eliminated to the fullest extent permissible under Delaware law. If the DGCL is amended after approval by the stockholders of this Article 5 to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the Corporation hereunder in respect of any act or omission occurring prior to the date of such amendment, modification or repeal.

B. The Corporation is authorized to provide indemnification of directors, officers, employees and agents (as defined in Section 145 of the DGCL) through bylaw provisions, agreements with the agents, vote of stockholders or disinterested directors, or otherwise in excess of the indemnification otherwise permitted by Section 145 of the DGCL, subject only to applicable limits set forth in Section 145 of the DGCL with respect to actions for breach of duty to the Corporation and its stockholders. The Corporation is authorized to provide indemnification of agents (as defined in Section 317 of the CCC) for breach of duty to the Corporation and its stockholders through bylaw provisions or through agreements with the agents, or through stockholder resolutions, or otherwise, in excess of the indemnification otherwise permitted by Section 317 of the CCC, subject, at any time or times that the Corporation is subject to Section 2115(b) of the CCC, to the limits on such excess indemnification set forth in Section 204 of the CCC.

The Corporation may, if so requested by a director or officer, advance expenses (including attorneys' fees) incurred by a director or officer in advance of the final disposition of such action, suit or proceeding upon the receipt of an undertaking by and on behalf of the director or officer to repay such amount if it shall ultimately be determined that such director or officer is not entitled to indemnification.

Any repeal or modification of this Article 5 shall only be prospective and shall not affect the rights to indemnification under this Article 5 in effect at the time of the alleged occurrence of any action or omission to act giving rise to liability.

C. In furtherance and not in limitation of the powers enforced by the laws of the State of Delaware, elections of directors need not be written by ballot unless the bylaws of the Corporation shall so provide, and the books of the Corporation may be kept at such place within or without the State of Delaware as the bylaws of the Corporation may provide or as may be designated from time to time by the Board of Directors of the Corporation.

D. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Fourth Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute (subject to the protective provisions of Article 4), and all rights conferred in a stockholder herein are granted subject to this reservation.

E. Meetings of stockholders may be held within or without the State of Delaware, as the bylaws of the Corporation may provide. Stockholders may act by written consent in lieu of a meeting pursuant to Section 228 of the DGCL.

F. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for all claims, including claims in the right of the Corporation, (i) that are based upon a violation of a duty by a current or former director, officer or stockholder in such capacity or (ii) as to which Title 8 of the DGCL confers jurisdiction upon the Court of Chancery, except for, as to each of (i) through (ii) above, any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten (10) days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction. If any provision or provisions of this Article 5, Section F shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article 5, Section F (including, without limitation, each portion of any sentence of this Article 5, Section F containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

G. The Corporation may repurchase its Common Stock from employees, officers, directors, advisors, consultants or other persons performing services for the Corporation or any subsidiary pursuant to agreements under which the Corporation has the option to repurchase such shares at cost upon the occurrence of certain events, such as the termination of employment, without regard to the preferential dividends arrears amount or any preferential rights amount (each as determined under applicable law) in whole or in part.

H. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors shall have the power, subject to the provisions of Section C.6 of Article 4, both before and after receipt of any payment for any of the Corporation’s capital stock, to adopt, amend, repeal or otherwise alter the bylaws of the Corporation without any action on the part of the stockholders;

provided, however, that the grant of such power to the Board of Directors shall not divest the stockholders of, nor limit their power, subject to the provisions of Section C.6 of Article 4, to adopt, amend, repeal or otherwise alter the bylaws.

I. To the maximum extent permitted from time to time under the law of the State of Delaware, the Corporation renounces any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, business opportunities that are from time to time being presented to its officers, directors or stockholders, other than (i) those officers, directors or stockholders who are employees of the Corporation and (ii) those opportunities demonstrated by the Corporation to have been presented to such officers, directors or stockholders expressly as a result of their duties and obligations as a director, officer or stockholder of the Corporation. No amendment or repeal of this provision shall apply to or have any effect on the liability or alleged liability of any officer, director or stockholder of the Corporation for or with respect to any opportunities which such officer, director or stockholder becomes aware prior to such amendment or repeal. Upon the effectiveness of a Qualified IPO, the foregoing Article 5, Section I shall terminate and be of no further force and effect.

* * *

4. The foregoing Fourth Amended and Restated Certificate of Incorporation has been approved by the Board of Directors by written consent in accordance with Section 141(f) of the DGCL.

5. The foregoing Fourth Amended and Restated Certificate of Incorporation has been approved by the stockholders of the Corporation by written consent in accordance with Section 228 of the DGCL.

6. The foregoing Fourth Amended and Restated Certificate of Incorporation has been duly adopted in accordance with the applicable provisions of Sections 242, 245 and 228 of the DGCL.

I further declare under penalty of perjury under the laws of the State of Delaware that the matters set forth in this certificate, which is executed at Irvine, California, on April 28, 2017, are true and correct of my own knowledge.

/s/ Raymond Cohen

Raymond Cohen, Chief Executive Officer

CERTIFICATE OF AMENDMENT
OF
FOURTH AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
AXONICS MODULATION TECHNOLOGIES, INC.
a Delaware corporation

Axonics Modulation Technologies, Inc., a Delaware corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify:

FIRST: The Board of Directors of the Corporation duty adopted resolutions proposing and declaring advisable the following amendments to the Fourth Amended and Restated Certificate of Incorporation of the Corporation filed with the Delaware Secretary of State of the State on April 28, 2017 (the "Certificate of Incorporation"), directing that said amendments be submitted to the stockholders of the Corporation for consideration. The resolutions setting forth the proposed amendments are as follows:

RESOLVED FURTHER, that Section C.3(b) of Article 4 of the Certificate of Incorporation be amended in its entirety to read as follows:

"The Board of Directors shall consist of seven (7) members. Notwithstanding the provisions of Section 3(a) above, at each annual or special meeting called, or pursuant to each written consent, for the purpose of electing directors (i) the holders of Series A Preferred Stock, voting as a separate class, shall be entitled to elect three (3) members of the Board of Directors, (ii) the holders of Common Stock, voting as a separate class, shall be entitled to elect one (1) member of the Board of Directors, (iii) the holders of Series B-1 Preferred Stock and Series B-2 Preferred Stock voting together as a separate class shall be entitled to elect one (I) member of the Board of Directors, (iv) the holders of Series C Preferred Stock, voting as a separate class, shall be entitled to elect one (1) member of the Board of Directors, and (v) the remaining director shall be elected jointly by the holders of a majority in voting power of the Preferred Stock and the holders of a majority in voting power of the Common Stock. The provisions of this Section 3(b) shall expire and be of no further force or effect upon conversion of all outstanding shares of Preferred Stock into Common Stock pursuant to the provisions of Section 4 hereof. In the case of any vacancy in the office of a director elected by a specified group of stockholders, a successor shall be elected to hold office for the unexpired term of such director by the affirmative vote of a majority (or as otherwise provided by applicable law) of the shares of such specified group given at a special meeting of such stockholders duly called or by an action by written consent for that purpose. Any director who shall have been elected by a specified group of stockholders may be removed during the aforesaid term of office, either for or without cause, by, and only by, the affirmative vote of the holders of a majority (or as otherwise provided by applicable law) of the shares of such specified group, given at a special meeting of such stockholders duly called or by an action by written consent for that purpose, and any such vacancy thereby created may be filled by the vote of the holders of a majority of the shares of such specified group represented at such meeting or in such consent."

RESOLVED FURTHER, that Section C.4(a)(i) of Article 4 of the Certificate of Incorporation be amended in its entirety to read as follows:

"Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the filing date of this Fourth Amended and Restated Certificate of Incorporation (the "**Filing Date**"), at the office of the Corporation or any transfer agent for such share, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Original Series A Purchase Price by the Series A Conversion Price (as defined below), determined as hereinafter provided, each as in effect on the date of effective conversion pursuant to Section 4(c) herein. The "**Series A Conversion Price**" per share of Series A Preferred Stock shall be $10.95, after giving effect to the issuance of 3,888,889 shares of Series C Preferred Stock, and shall be subject to adjustment as set forth in Section 4(d) herein."

SECOND: That thereafter, the holders of the necessary number of shares of capital stock of the Corporation gave their written consent in favor of the foregoing amendments in accordance with the provisions of Section 228 of the Delaware General Corporation Law.

THIRD: That said amendments were duly adopted in accordance with the provisions of Section 242 of the Delaware General Corporation Law of the State of Delaware.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, Axonics Modulation Technologies, Inc. has caused this Certificate of Amendment to be signed this 3rd day of August, 2017.

/s/ Raymond W. Cohen
Chief Executive Officer

CERTIFICATE OF AMENDMENT
OF
FOURTH AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
AXONICS MODULATION TECHNOLOGIES, INC.
a Delaware corporation

Axonics Modulation Technologies, Inc., a Delaware corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "**Corporation**"), does hereby certify:

FIRST: The Board of Directors of the Corporation duly adopted resolutions proposing and declaring advisable the following amendment to the Fourth Amended and Restated Certificate of Incorporation of the Corporation filed with the Delaware Secretary of State of the State on April 28, 2017, and as amended on August 3, 2017 (the "**Certificate of Incorporation**"), directing that said amendment be submitted to the stockholders of the Corporation for consideration. The resolution setting forth the proposed amendment is as follows:

RESOLVED FURTHER, that Section A of Article 4 of the Certificate of Incorporation be amended in its entirety to read as follows:

"A. The Corporation is authorized to issue two classes of stock to be designated, respectively, "**Common Stock**" and "**Preferred Stock**." The total number of shares which the Corporation is authorized to issue is 25,552,648 shares, of which 15,500,000 shares shall be Common Stock, $0.0001 par value per share, and 10,052,648 shares shall be Preferred Stock, $0.0001 par value per share, of which 1,030,000 shares shall be designated "**Series A Preferred Stock**," 2,529,862 shares shall be designated "**Series B-1 Preferred Stock**," 2,537,231 shares shall be designated "**Series B-2 Preferred Stock**," and 3,955,555 shares shall be designated "**Series C Preferred Stock**."

SECOND: That thereafter, the holders of the necessary number of shares of capital stock of the Corporation gave their written consent in favor of the foregoing amendment in accordance with the provisions of Section 228 of the Delaware General Corporation Law.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, Axonics Modulation Technologies, Inc. has caused this Certificate of Amendment to be signed this 1st day of February, 2018.

/s/ Raymond W. Cohen
Chief Executive Officer

CERTIFICATE OF AMENDMENT
OF
FOURTH AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
AXONICS MODULATION TECHNOLOGIES, INC.
a Delaware corporation

Axonics Modulation Technologies, Inc., a Delaware corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "**Corporation**"), does hereby certify:

FIRST: The Board of Directors of the Corporation duly adopted resolutions proposing and declaring advisable the following amendments to the Fourth Amended and Restated Certificate of Incorporation of the Corporation filed with the Delaware Secretary of State of the State on April 28, 2017, and as amended on August 3, 2017 and February 1, 2018 (the "**Certificate of Incorporation**"), directing that said amendments be submitted to the stockholders of the Corporation for consideration. The resolutions setting forth the proposed amendments are as follows:

RESOLVED FURTHER, that Section A of Article 4 of the Certificate of Incorporation be amended in its entirety to read as follows:

"A. The Corporation is authorized to issue two classes of stock to be designated, respectively, "**Common Stock**" and "**Preferred Stock**." The total number of shares which the Corporation is authorized to issue is 29,785,981 shares, of which 17,500,000 shares shall be Common Stock, $0.0001 par value per share, and 12,285,981 shares shall be Preferred Stock, $0.0001 par value per share, of which 1,030,000 shares shall be designated "**Series A Preferred Stock**," 2,529,862 shares shall be designated "**Series B-1 Preferred Stock**," 2,537,231 shares shall be designated "**Series B-2 Preferred Stock**," and 6,188,888 shares shall be designated "**Series C Preferred Stock**."

RESOLVED FURTHER, that Section C(3)(b) of Article 4 of the Certificate of Incorporation be amended in its entirety to read as follows:

"(b) The Board of Directors shall consist of seven (7) members. Notwithstanding the provisions of Section 3(a) above, at each annual or special meeting called, or pursuant to each written consent, for the purpose of electing directors (i) the holders of Series A Preferred Stock, voting as a separate class, shall be entitled to elect two (2) members of the Board of Directors, (ii) the holders of Common Stock, voting as a separate class, shall be entitled to elect one (1) member of the Board of Directors, (iii) the holders of Series B-1 Preferred Stock and Series B-2 Preferred Stock voting together as a separate class shall be entitled to elect one (1) member of the Board of Directors, (iv) the holders of Series C Preferred Stock, voting as a separate class, shall be entitled to elect two (2) members of the Board of Directors, and (v) the remaining director shall be elected jointly by the holders of two-thirds ($^2/_3$) in voting power of the Preferred Stock and the holders of a majority in voting power of the Common Stock, each voting as a separate class. The provisions of this Section 3(b) shall expire and be of no further force or effect upon conversion of all outstanding shares of Preferred Stock into Common Stock pursuant to the provisions of Section 4 hereof. In the case of any vacancy in the office of a director elected by a specified group of stockholders, a successor shall be elected to hold office for the unexpired term of such director by the affirmative vote of a majority (or

as otherwise provided by applicable law) of the shares of such specified group given at a special meeting of such stockholders duly called or by an action by written consent for that purpose. Any director who shall have been elected by a specified group of stockholders may be removed during the aforesaid term of office, either for or without cause, by, and only by, the affirmative vote of the holders of a majority (or as otherwise provided by applicable law) of the shares of such specified group, given at a special meeting of such stockholders duly called or by an action by written consent for that purpose, and any such vacancy thereby created may be filled by the vote of the holders of a majority of the shares of such specified group represented at such meeting or in such consent."

RESOLVED FURTHER, that Section C(4)(a)(i) of Article 4 of the Certificate of Incorporation be amended in its entirety to read as follows:

"(i) Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the filing date of this Fourth Amended and Restated Certificate of Incorporation (the '**Filing Date'**), at the office of the Corporation or any transfer agent for such share, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Original Series A Purchase Price by the Series A Conversion Price (as defined below), determined as hereinafter provided, each as in effect on the date of effective conversion pursuant to Section 4(c) herein. The "**Series A Conversion Price**" per share of Series A Preferred Stock shall be $10.36, after giving effect to the issuance of 6,122,222 shares of Series C Preferred Stock and shall be subject to adjustment as set forth in Section 4(d) herein."

RESOLVED FURTHER, that Section C(4)(b) of Article 4 of the Certificate of Incorporation be amended in its entirety to read as follows:

"(b) **Automatic Conversion**. Each share of Preferred Stock shall automatically be converted into shares of Common Stock at the then effective and applicable Conversion Price as provided in Section 4(a) above, immediately upon (i) the closing of a firm commitment underwritten public offering of Common Stock registered under the Securities Act of 1933, as amended (the "**Securities Act**"), but not including any registration relating solely to a transaction under Rule 145 of the Securities Act or to an employee benefit plan of the Corporation, with aggregate gross proceeds of at least $50,000,000 (before deduction of underwriters commissions and expenses), a per share price equal to at least $18.00 (as adjusted for stock splits, combinations, stock dividends, recapitalizations and the like) and the listing of the Common Stock on an United States securities exchange (a "**Qualified IPO**"), or (ii) upon the election of the holders of more than two-thirds ($^2/_3$) of the outstanding shares of Preferred Stock, voting together as a single class on an as-if converted basis (calculated assuming the exercise of any outstanding right of any person to exchange his, her or its equity interest in Axonics Europe, S.A.S. for shares of Preferred Stock of the Corporation)."

SECOND: That thereafter, the holders of the necessary number of shares of capital stock of the Corporation gave their written consent in favor of the foregoing amendments in accordance with the provisions of Section 228 of the Delaware General Corporation Law.

THIRD: That said amendments were duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

[Signature Page Follows]

IN WITNESS WHEREOF, Axonics Modulation Technologies, Inc. has caused this Certificate of Amendment to be signed this 29th day of March, 2018.

/s/ Raymond W. Cohen

Raymond W. Cohen, Chief Executive Officer

Exhibit 3.6

BY-LAWS

of

Axonics Modulation Technologies, Inc.

(the "Corporation")

1. Stockholders

(a) Annual Meeting. The annual meeting of stockholders shall be held for the election of directors each year at such place, date and time as shall be designated by the Board of Directors. Any other proper business may be transacted at the annual meeting. If no date for the annual meeting is established or said meeting is not held on the date established as provided above, a special meeting in lieu thereof may be held or there may be action by written consent of the stockholders on matters to be voted on at the annual meeting, and such special meeting or written consent shall have for the purposes of these By-laws or otherwise all the force and effect of an annual meeting.

(b) Special Meetings. Special meetings of stockholders may be called by the Chief Executive Officer, if one is elected, or, if there is no Chief Executive Officer, a President, or by the Board of Directors, but such special meetings may not be called by any other person or persons. The call for the meeting shall state the place, date, hour and purposes of the meeting. Only the purposes specified in the notice of special meeting shall be considered or dealt with at such special meeting.

(c) Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a notice stating the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present and vote at such meeting, and, in the case of a special meeting, the purpose or purposes of the meeting, shall be given by the Secretary (or other person authorized by these By-laws or by law) not less than ten (10) nor more than sixty (60) days before the meeting to each stockholder entitled to vote thereat and to each stockholder who, under the Certificate of Incorporation of the Corporation (the "Certificate of Incorporation") or under these By-laws is entitled to such notice. If mailed, notice is given when deposited in the mail, postage prepaid, directed to such stockholder at such stockholder's address as it appears in the records of the Corporation. Without limiting the manner by which notice otherwise may be effectively given to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the Delaware General Corporation Law (the "DGCL").

If a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken, except that if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

(d) Quorum. The holders of a majority in interest of all stock issued, outstanding and entitled to vote at a meeting, present in person or represented by proxy, shall constitute a quorum. Any meeting may be adjourned from time to time by a majority of the votes properly cast upon the question, whether or not a quorum is present. The stockholders present at a duly constituted meeting may continue to transact business until adjournment notwithstanding the withdrawal of enough stockholders to reduce the voting shares below a quorum.

(e) Voting and Proxies. Except as otherwise provided by the Certificate of Incorporation or by law, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by either written proxy or by a transmission permitted by Section 212(c) of the DGCL, but no proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period or is irrevocable and coupled with an interest. Proxies shall be filed with the Secretary of the meeting, or of any adjournment thereof. Except as otherwise limited therein, proxies shall entitle the persons authorized thereby to vote at any adjournment of such meeting.

(f) Action at Meeting. When a quorum is present, any matter before the meeting shall be decided by vote of the holders of a majority of the shares of stock voting on such matter except where a larger vote is required by law, by the Certificate of Incorporation or by these By-laws. Any election of directors by stockholders shall be determined by a plurality of the votes cast, except where a larger vote is required by law, by the Certificate of Incorporation or by these By-laws. The Corporation shall not directly or indirectly vote any share of its own stock; provided, however, that the Corporation may vote shares which it holds in a fiduciary capacity to the extent permitted by law.

(g) Presiding Officer. Meetings of stockholders shall be presided over by the Chairman of the Board, if one is elected, or in his or her absence, the Vice Chairman of the Board, if one is elected, or if neither is elected or in their absence, a President. The Board of Directors shall have the authority to appoint a temporary presiding officer to serve at any meeting of the stockholders if the Chairman of the Board, the Vice Chairman of the Board or a President is unable to do so for any reason.

(h) Conduct of Meetings. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the presiding officer of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the presiding officer of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the

presiding officer of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

(i) Action without a Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required or permitted by law to be taken at any annual or special meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office, by hand or by certified mail, return receipt requested, or to the Corporation's principal place of business or to the officer of the Corporation having custody of the minute book, Every written consent shall bear the date of signature and no written consent shall be effective unless, within sixty (60) days of the earliest dated consent delivered pursuant to these By-laws, written consents signed by a sufficient number of stockholders entitled to take action are delivered to the Corporation in the manner set forth in these By-laws. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

(j) Stockholder Lists. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Nothing contained in this Section 1(j) shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least ten (10) days prior to the meeting in the manner provided by law, The list shall also be open to the examination of any stockholder during the whole time of the meeting as provided by law.

2. Directors

(a) Powers. The business of the Corporation shall be managed by or under the direction of a Board of Directors who may exercise all the powers of the Corporation except as otherwise provided by law, by the Certificate of Incorporation or by these By-laws. In the event of a vacancy in the Board of Directors, the remaining directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled.

(b) Number and Qualification. Unless otherwise provided in the Certificate of Incorporation or in these By-laws, the number of directors which shall constitute the whole board shall be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

(c) Vacancies; Reduction of Board. A majority of the directors then in office, although less than a quorum, or a sole remaining Director, may fill vacancies in the Board of Directors occurring for any reason and newly created directorships resulting from any increase in the authorized number of directors. In lieu of filling any vacancy, the Board of Directors may reduce the number of directors.

(d) Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these By-laws, directors shall hold office until their successors are elected and

qualified or until their earlier resignation or removal. Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

(e) Removal. To the extent permitted by law, a director may be removed from office with or without cause by vote of the holders of a majority of the shares of stock entitled to vote in the election of directors.

(f) Meetings. Regular meetings of the Board of Directors may be held without notice at such time, date and place as the Board of Directors may from time to time determine. Special meetings of the Board of Directors may be called, orally or in writing, by the Chief Executive Officer, if one is elected, or, if there is no Chief Executive Officer, the President, or by two or more Directors, designating the time, date and place thereof, Directors may participate in meetings of the Board of Directors by means of conference telephone or other communications equipment by means of which all directors participating in the meeting can hear each other, and participation in a meeting in accordance herewith shall constitute presence in person at such meeting.

(g) Notice of Meetings. Notice of the time, date and place of all special meetings of the Board of Directors shall be given to each director by the Secretary, or Assistant Secretary, or in case of the death, absence, incapacity or refusal of such persons, by the officer or one of the directors calling the meeting. Notice shall be given to each director in person, by telephone, or by facsimile, electronic mail or other form of electronic communications, sent to such director's business or home address at least twenty-four (24) hours in advance of the meeting, or by written notice mailed to such director's business or home address at least forty-eight (48) hours in advance of the meeting.

(h) Quorum. At any meeting of the Board of Directors, a majority of the total number of directors shall constitute a quorum for the transaction of business. Less than a quorum may adjourn any meeting from time to time and the meeting may be held as adjourned without further notice.

(i) Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, unless otherwise provided in the following sentence, a majority of the directors present may take any action on behalf of the Board of Directors, unless a larger number is required by law, by the Certificate of Incorporation or by these By-laws. So long as there are two (2) or fewer Directors, any action to be taken by the Board of Directors shall require the approval of all Directors.

(j) Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the records of the meetings of the Board of Directors. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

(k) Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, establish one or more committees, each committee to consist of one or more directors. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the

committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval or (ii) adopting, amending or repealing any provision of these By-laws.

Except as the Board of Directors may otherwise determine, any such committee may make rules for the conduct of its business, but in the absence of such rules its business shall be conducted so far as possible in the same manner as is provided in these By-laws for the Board of Directors. All members of such committees shall hold their committee offices at the pleasure of the Board of Directors, and the Board may abolish any committee at any time,

3. Officers

(a) Enumeration. The officers of the Corporation shall consist of one or more Presidents (who, if there is more than one, shall be referred to as Co-Presidents), a Treasurer, a Secretary, and such other officers, including, without limitation, a Chief Executive Officer and one or more Vice Presidents (including Executive Vice Presidents or Senior Vice Presidents), Assistant Vice Presidents, Assistant Treasurers and Assistant Secretaries, as the Board of Directors may determine. The Board of Directors may elect from among its members a Chairman of the Board and a Vice Chairman of the Board.

(b) Election. The Presidents, Treasurer and Secretary shall be elected annually by the Board of Directors at their first meeting following the annual meeting of stockholders. Other officers may be chosen by the Board of Directors at such meeting or at any other meeting.

(c) Qualification. No officer need be a stockholder or Director. Any two or more offices may be held by the same person. Any officer may be required by the Board of Directors to give bond for the faithful performance of such officer’s duties in such amount and with such sureties as the Board of Directors may determine.

(d) Tenure. Except as otherwise provided by the Certificate of Incorporation or by these By-laws, each of the officers of the Corporation shall hold office until the first meeting of the Board of Directors following the next annual meeting of stockholders and until such officer’s successor is elected and qualified or until such officer’s earlier resignation or removal. Any officer may resign by delivering his or her written resignation to the Corporation, and such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

(e) Removal. The Board of Directors may remove any officer with or without cause by a vote of a majority of the directors then in office.

(f) Vacancies. Any vacancy in any office may be filled for the unexpired portion of the term by the Board of Directors.

(g) Chairman of the Board and Vice Chairman. Unless otherwise provided by the Board of Directors, the Chairman of the Board of Directors, if one is elected, shall preside, when present, at all meetings of the stockholders and the Board of Directors. The Chairman of the Board shall have such other powers and shall perform such duties as the Board of Directors may from time to time designate.

Unless otherwise provided by the Board of Directors, in the absence of the Chairman of the Board, the Vice Chairman of the Board, if one is elected, shall preside, when present, at all meetings of the stockholders and the Board of Directors. The Vice Chairman of the Board shall have such other powers and shall perform such duties as the Board of Directors may from time to time designate.

(h) Chief Executive Officer. The Chief Executive Officer, if one is elected, shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

(i) Presidents. The Presidents shall, subject to the direction of the Board of Directors, each have general supervision and control of the Corporation's business and any action that would typically be taken by a President may be taken by any Co-President. If there is no Chairman of the Board or Vice Chairman of the Board, a President shall preside, when present, at all meetings of stockholders and the Board of Directors. The Presidents shall have such other powers and shall perform such duties as the Board of Directors may from time to time designate.

(j) Vice Presidents and Assistant Vice Presidents. Any Vice President (including any Executive Vice President or Senior Vice President) and any Assistant Vice President shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

(k) Treasurer and Assistant Treasurers. The Treasurer shall, subject to the direction of the Board of Directors, have general charge of the financial affairs of the Corporation and shall cause to be kept accurate books of account. The Treasurer shall have custody of all funds, securities, and valuable documents of the Corporation, except as the Board of Directors may otherwise provide. The Treasurer shall have such other powers and shall perform such duties as the Board of Directors may from time to time designate.

Any Assistant Treasurer shall have such powers and perform such duties as the Board of Directors may from time to time designate.

(l) Secretary and Assistant Secretaries. The Secretary shall record the proceedings of all meetings of the stockholders and the Board of Directors (including committees of the Board) in books kept for that purpose. In the absence of the Secretary from any such meeting an Assistant Secretary, or if such person is absent, a temporary secretary chosen at the meeting, shall record the proceedings thereof. The Secretary shall have charge of the stock ledger (which may, however, be kept by any transfer or other agent of the Corporation) and shall have such other duties and powers as may be designated from time to time by the Board of Directors.

Any Assistant Secretary shall have such powers and perform such duties as the Board of Directors may from time to time designate.

(m) Other Powers and Duties. Subject to these By-laws, each officer of the Corporation shall have in addition to the duties and powers specifically set forth in these By-laws, such duties and powers as are customarily incident to such officer's office, and such duties and powers as may be designated from time to time by the Board of Directors,

4. Capital Stock

(a) Certificates of Stock. Each stockholder shall be entitled to a certificate of the capital stock of the Corporation in such form as may from time to time be prescribed by the Board of Directors. Such certificate shall be signed by a President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary. Such signatures may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed on such certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the time of its issue. Every certificate for shares of stock which are subject to any restriction on transfer and every certificate issued when the Corporation is authorized to issue more than one class or series of stock shall contain such legend with respect thereto as is required by law. The Corporation shall be permitted to issue fractional shares.

(b) Transfers. Subject to any restrictions on transfer, shares of stock may be transferred on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate therefor properly endorsed or accompanied by a written assignment or power of attorney properly executed, with transfer stamps (if necessary) affixed, and with such proof of the authenticity of signature as the Corporation or its transfer agent may reasonably require.

(c) Record Holders. Except as may otherwise be required by law, by the Certificate of Incorporation or by these By-laws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect thereto, regardless of any transfer, pledge or other disposition of such stock, until the shares have been transferred on the books of the Corporation in accordance with the requirements of these By-laws.

It shall be the duty of each stockholder to notify the Corporation of such stockholder's post office address.

(d) Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not precede the date on which it is established, and which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, more than ten (10) days after the date on which the record date for stockholder consent without a meeting is established, nor more than sixty (60) days prior to any other action. In such case

only stockholders of record on such record date shall be so entitled notwithstanding any transfer of stock on the books of the Corporation after the record date.

If no record date is fixed, (i) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, (ii) the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in this state, to its principal place of business, or to an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded, and (iii) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(e) Lost Certificates. The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

5. Indemnification

(a) Definitions. For purposes of this Section 5:

(i) “Corporate Status” describes the status of a person who is serving or has served (A) as a Director of the Corporation, (B) as an Officer of the Corporation, (C) as a Non-Officer Employee of the Corporation, or (D) as a director, partner, trustee, officer, employee or agent of any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, foundation, association, organization or other legal entity for which such person is or was serving at the request of the Corporation. For purposes of this Section 5(a)(i), a Director, Officer or Non-Officer Employee of the Corporation who is serving or has served as a director, partner, trustee, officer, employee or agent of a Subsidiary shall be deemed to be serving at the request of the Corporation. Notwithstanding the foregoing, “Corporate Status” shall not include the status of a person who is serving or has served as a director, officer, employee or agent of a constituent corporation absorbed in a merger or consolidation transaction with the Corporation with respect to such person’s activities prior to said transaction, unless specifically authorized by the Board of Directors or the stockholders of the Corporation;

(ii) “Director” means any person who serves or has served the Corporation as a director on the Board of Directors of the Corporation;

(iii) “Disinterested Director” means, with respect to each Proceeding in respect of which indemnification is sought hereunder, a Director of the Corporation who is not and was not a party to such Proceeding;

(iv) “Expenses” means all reasonable attorneys fees, retainers, court costs, transcript costs, fees of expert witnesses, private investigators and professional advisors (including,

without limitation, accountants and investment bankers), travel expenses, duplicating costs, printing and binding costs, costs of preparation of demonstrative evidence and other courtroom presentation aids and devices, costs incurred in connection with document review, organization, imaging and computerization, telephone charges, postage, delivery service fees, and all other disbursements, costs or expenses of the type customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settling or otherwise participating in, a Proceeding;

(v) "Liabilities" means judgments, damages, liabilities, losses, penalties, excise taxes, fines and amounts paid in settlement;

(vi) "Non-Officer Employee" means any person who serves or has served as an employee or agent of the Corporation, but who is not or was not a Director or Officer;

(vii) "Officer" means any person who serves or has served the Corporation as an officer of the Corporation appointed by the Board of Directors of the Corporation;

(viii) "Proceeding" means any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, inquiry, investigation, administrative hearing or other proceeding, whether civil, criminal, administrative, arbitrative or investigative; and

(ix) "Subsidiary" shall mean any corporation, partnership, limited liability company, joint venture, trust or other entity of which the Corporation owns (either directly or through or together with another Subsidiary of the Corporation) either (i) a general partner, managing member or other similar interest or (ii) (A) 50% or more of the voting power of the voting capital equity interests of such corporation, partnership, limited liability company, joint venture or other entity, or (B) 50% or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other entity.

(b) Indemnification of Directors and Officers. Subject to the operation of Section 5(d) of these By-laws, each Director and Officer shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), and to the extent authorized in subsections (i) through (iv) of this Section 5(b).

(i) Actions, Suits and Proceedings Other than By or In the Right of the Corporation. Each Director and Officer shall be indemnified and held harmless by the Corporation against any and all Expenses and Liabilities that are incurred or paid by such Director or Officer or on such Director's or Officer's behalf in connection with any Proceeding or any claim, issue or matter therein (other than an action by or in the right of the Corporation), which such Director or Officer is, or is threatened to be made, a party to or participant in by reason of such Director's or Officer's Corporate Status, if such Director or Officer acted in good faith and in a manner such Director or Officer reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

(ii) Actions, Suits and Proceedings By or In the Right of the Corporation. Each Director and Officer shall be indemnified and held harmless by the Corporation against any and all Expenses that are incurred by such Director or Officer or on such Director's or Officer's behalf in connection with any Proceeding or any claim, issue or matter therein by or in the right of the Corporation, which such Director or Officer is, or is threatened to be made, a party to or participant in by reason of such Director's or Officer's Corporate Status, if such Director or Officer acted in good faith and in a manner such Director or Officer reasonably believed to be in or not opposed to the best interests of the Corporation; provided, however, that no indemnification shall be made under this Section 5(b)(ii) in respect of any claim, issue or matter as to which such Director or Officer shall have been finally adjudged by a court of competent jurisdiction to be liable to the Corporation, unless, and only to the extent that, the Court of Chancery or another court in which such Proceeding was brought shall determine upon application that, despite adjudication of liability, but in view of all the circumstances of the case, such Director or Officer is fairly and reasonably entitled to indemnification for such Expenses that such court deems proper.

(iii) Survival of Rights. The rights of indemnification provided by this Section 5(b) shall continue as to a Director or Officer after he or she has ceased to be a Director or Officer and shall inure to the benefit of his or her heirs, executors, administrators and personal representatives.

(iv) Actions by Directors or Officers. Notwithstanding the foregoing, the Corporation shall indemnify any Director or Officer seeking indemnification in connection with a Proceeding initiated by such Director or Officer only if such Proceeding (including any parts of such Proceeding not initiated by such Director or Officer) was authorized in advance by the Board of Directors of the Corporation, unless such Proceeding was brought to enforce such Officer's or Director's rights to indemnification or, in the case of Directors, advancement of Expenses under these By-laws in accordance with the provisions set forth herein.

(c) Indemnification of Non-Officer Employees. Subject to the operation of Section 5(d) of these By-laws, each Non-Officer Employee may, in the discretion of the Board of Directors of the Corporation, be indemnified by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, against any or all Expenses and Liabilities that are incurred by such Non-Officer Employee or on such Non-Officer Employee's behalf in connection with any threatened, pending or completed Proceeding, or any claim, issue or matter therein, which such Non-Officer Employee is, or is threatened to be made, a party to or participant in by reason of such Non-Officer Employee's Corporate Status, if such Non-Officer Employee acted in good faith and in a manner such Non-Officer Employee reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The rights of indemnification provided by this Section 5(c) shall exist as to a Non-Officer Employee after he or she has ceased to be a Non-Officer Employee and shall inure to the benefit of his or her heirs, personal representatives, executors and administrators. Notwithstanding the foregoing, the Corporation may indemnify any Non-Officer Employee seeking indemnification in connection with a Proceeding initiated by such Non-Officer Employee only if such Proceeding was authorized in advance by the Board of Directors of the Corporation.

(d) Determination. Unless ordered by a court, no indemnification shall be provided pursuant to this Section 5 to a Director, to an Officer or to a Non-Officer Employee unless a determination shall have been made that such person acted in good faith and in a manner such person

reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal Proceeding, such person had no reasonable cause to believe his or her conduct was unlawful. Such determination shall be made by (i) a majority vote of the Disinterested Directors, even though less than a quorum of the Board of Directors, (ii) a committee comprised of Disinterested Directors, such committee having been designated by a majority vote of the Disinterested Directors (even though less than a quorum), (iii) if there are no such Disinterested Directors, or if a majority of Disinterested Directors so directs, by independent legal counsel in a written opinion, or (iv) by the stockholders of the Corporation.

(e) Advancement of Expenses to Directors Prior to Final Disposition.

(i) The Corporation shall advance all Expenses incurred by or on behalf of any Director in connection with any Proceeding in which such Director is involved by reason of such Director's Corporate Status within thirty (30) days after the receipt by the Corporation of a written statement from such Director requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by such Director and shall be preceded or accompanied by an undertaking by or on behalf of such Director to repay any Expenses so advanced if it shall ultimately be determined that such Director is not entitled to be indemnified against such Expenses. Notwithstanding the foregoing, the Corporation shall advance all Expenses incurred by or on behalf of any Director seeking advancement of expenses hereunder in connection with a Proceeding initiated by such Director only if such Proceeding (including any parts of such Proceeding not initiated by such Director) was (A) authorized by the Board of Directors of the Corporation, or (B) brought to enforce such Director's rights to indemnification or advancement of Expenses under these By-laws.

(ii) If a claim for advancement of Expenses hereunder by a Director is not paid in full by the Corporation within thirty (30) days after receipt by the Corporation of documentation of Expenses and the required undertaking, such Director may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and if successful in whole or in part, such Director shall also be entitled to be paid the expenses of prosecuting such claim. The failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to make a determination concerning the permissibility of such advancement of Expenses under this Section 5 shall not be a defense to an action brought by a Director for recovery of the unpaid amount of an advancement claim and shall not create a presumption that such advancement is not permissible. The burden of proving that a Director is not entitled to an advancement of expenses shall be on the Corporation.

(iii) In any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the Director has not met any applicable standard for indemnification set forth in the DGCL.

(f) Advancement of Expenses to Officers and Non-Officer Employees Prior to Final Disposition.

(i) The Corporation may, at the discretion of the Board of Directors of the Corporation, advance any or all Expenses incurred by or on behalf of any Officer or any Non-Officer Employee in connection with any Proceeding in which such person is involved by

reason of his or her Corporate Status as an Officer or Non-Officer Employee upon the receipt by the Corporation of a statement or statements from such Officer or Non-Officer Employee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by such Officer or Non-Officer Employee and shall be preceded or accompanied by an undertaking by or on behalf of such person to repay any Expenses so advanced if it shall ultimately be determined that such Officer or Non-Officer Employee is not entitled to be indemnified against such Expenses.

(ii) In any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the Officer or Non-Officer Employee has not met any applicable standard for indemnification set forth in the DGCL.

(g) Contractual Nature of Rights.

(i) The provisions of this Section 5 shall be deemed to be a contract between the Corporation and each Director and Officer entitled to the benefits hereof at any time while this Section 5 is in effect, in consideration of such person's past or current and any future performance of services for the Corporation. Neither amendment, repeal or modification of any provision of this Section 5 nor the adoption of any provision of the Certificate of Incorporation inconsistent with this Section 5 shall eliminate or reduce any right conferred by this Section 5 in respect of any act or omission occurring, or any cause of action or claim that accrues or arises or any state of facts existing, at the time of or before such amendment, repeal, modification or adoption of an inconsistent provision (even in the case of a proceeding based on such a state of facts that is commenced after such time), and all rights to indemnification and advancement of Expenses granted herein or arising out of any act or omission shall vest at the time of the act or omission in question, regardless of when or if any proceeding with respect to such act or omission is commenced. The rights to indemnification and to advancement of expenses provided by, or granted pursuant to, this Section 5 shall continue notwithstanding that the person has ceased to be a director or officer of the Corporation and shall inure to the benefit of the estate, heirs, executors, administrators, legatees and distributees of such person.

(ii) If a claim for indemnification hereunder by a Director or Officer is not paid in full by the Corporation within sixty (60) days after receipt by the Corporation of a written claim for indemnification, such Director or Officer may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, such Director or Officer shall also be entitled to be paid the expenses of prosecuting such claim. The failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to make a determination concerning the permissibility of such indemnification under this Section 5 shall not be a defense to an action brought by a Director or Officer for recovery of the unpaid amount of an indemnification claim and shall not create a presumption that such indemnification is not permissible. The burden of proving that a Director or Officer is not entitled to indemnification shall be on the Corporation.

(iii) In any suit brought by a Director or Officer to enforce a right to indemnification hereunder, it shall be a defense that such Director or Officer has not met any applicable standard for indemnification set forth in the DGCL.

(h) Non-Exclusivity of Rights. The rights to indemnification and advancement of Expenses set forth in this Section 5 shall not be exclusive of any other right which any Director, Officer, or Non-Officer Employee may have or hereafter acquire under any statute, provision of the Certificate or these By-laws, agreement, vote of stockholders or Disinterested Directors or otherwise.

(i) Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any Director, Officer or Non-Officer Employee against any liability of any character asserted against or incurred by the Corporation or any such Director, Officer or Non-Officer Employee, or arising out of any such person's Corporate Status, whether or not the Corporation would have the power to indemnify such person against such liability under the DGCL or the provisions of this Section 5.

(j) Other Indemnification. The Corporation's obligation, if any, to indemnify or provide advancement of Expenses to any person under this Section 5 as a result of such person serving, at the request of the Corporation, as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount such person may collect as indemnification or advancement of Expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or enterprise (the "Primary Indemnitor"). Any indemnification or advancement of Expenses under this Section 5 owed by the Corporation as a result of a person serving, at the request of the Corporation, as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall only be in excess of, and shall be secondary to, the indemnification or advancement of Expenses available from the applicable Primary Indemnitor(s) and any applicable insurance policies.

6. Miscellaneous Provisions

(a) Fiscal Year. Except as otherwise determined by the Board of Directors, the fiscal year of the Corporation shall end on December 31 of each year.

(b) Seal. The Board of Directors shall have power to adopt and alter the seal of the Corporation.

(c) Execution of Instruments. Subject to any limitations which may be set forth in a resolution of the Board of Directors, all deeds, leases, transfers, contracts, bonds, notes and other obligations to be entered into by the Corporation in the ordinary course of its business without director action may be executed on behalf of the Corporation by, a President, or by any other officer, employee or agent of the Corporation as the Board of Directors may authorize.

(d) Voting of Securities. Unless the Board of Directors otherwise provides, a President, any Vice President or the Treasurer may waive notice of and act on behalf of this Corporation, or appoint another person or persons to act as proxy or attorney in fact for this Corporation with or without discretionary power and/or power of substitution, at any meeting of stockholders or shareholders of any other corporation or organization, any of whose securities are held by this Corporation.

(e) Resident Agent. The Board of Directors may appoint a resident agent upon whom legal process may be served in any action or proceeding against the Corporation.

(f) Corporate Records. The original or attested copies of the Certificate of Incorporation, By-laws and records of all meetings of the incorporators, stockholders and the Board of Directors and the stock and transfer records, which shall contain the names of all stockholders, their record addresses and the amount of stock held by each, shall be kept at the principal office of the Corporation, at the office of its counsel, or at an office of its transfer agent.

(g) Certificate of Incorporation. All references in these By-laws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the Corporation, as amended and in effect from time to time.

(h) Amendments. These By-laws may be altered, amended or repealed, and new By-laws may be adopted, by the stockholders or by the Board of Directors; provided, that (a) the Board of Directors may not alter, amend or repeal any provision of these By-laws which by law, by the Certificate of Incorporation or by these By-laws requires action by the stockholders and (b) any alteration, amendment or repeal of these By-laws by the Board of Directors and any new By-law adopted by the Board of Directors may be altered, amended or repealed by the stockholders.

(i) Waiver of Notice. Whenever notice is required to be given under any provision of these By-laws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened, Neither the business to be transacted at, nor the purpose of, any meeting needs to be specified in any written waiver or any waiver by electronic transmission.

Adopted August 15, 2013

ZQ|CERT#|COY|CLS|RGSTRY|ACCT#|TRANSTYPE|RUN#|TRANS#

COMMON STOCK

PAR VALUE $0.0001

COMMON STOCK

Axonics
Modulation Technologies

Certificate Number
ZQ00000000

Shares

AXONICS MODULATION TECHNOLOGIES, INC.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

SEE REVERSE FOR CERTAIN DEFINITIONS

THIS CERTIFIES THAT

MR. SAMPLE & MRS. SAMPLE &
MR. SAMPLE & MRS. SAMPLE

CUSIP 05465P 10 1

is the owner of

***ZERO HUNDRED THOUSAND
ZERO HUNDRED AND ZERO***

THIS CERTIFICATE IS TRANSFERABLE IN CITIES DESIGNATED BY THE TRANSFER AGENT, AVAILABLE ONLINE AT www.computershare.com

FULLY-PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK OF

Axonics Modulation Technologies, Inc. (hereinafter called the "Company"), transferable on the books of the Company in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate and the shares represented hereby, are issued and shall be held subject to all of the provisions of the Certificate of Incorporation, as amended, and the bylaws, as amended, of the Company (copies of which are on file with the Company and with the Transfer Agent), to all of which each holder, by acceptance hereof, assents. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

DATED DD-MMM-YYYY

FACSIMILE SIGNATURE TO COME

President

FACSIMILE SIGNATURE TO COME

Secretary

AXONICS MODULATION TECHNOLOGIES, INC. CORPORATE SEAL DELAWARE March 2, 2012

COUNTERSIGNED AND REGISTERED:
COMPUTERSHARE TRUST COMPANY, N.A.
TRANSFER AGENT AND REGISTRAR,

By _____
AUTHORIZED SIGNATURE

SECURITY INSTRUCTIONS ON REVERSE

1234567

Axonics
Modulation Technologies

PO BOX 43004, Providence, RI 02940-3004

MR A SAMPLE
DESIGNATION (IF ANY)
ADD 1
ADD 2
ADD 3
ADD 4

CUSIP/IDENTIFIER	XXXXXX XX X
Holder ID	XXXXXXXXXX
Insurance Value	1,000,000.00
Number of Shares	123456
DTC	12345678 12345678901234

Certificate Numbers	Num/No.	Denom.	Total
12345678901234567890	1	1	1
12345678901234567890	2	2	2
12345678901234567890	3	3	3
12345678901234567890	4	4	4
12345678901234567890	5	5	5
12345678901234567890	6	6	6
Total Transaction			7

AXONICS MODULATION TECHNOLOGIES, INC.

THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH STOCKHOLDER WHO SO REQUESTS, A SUMMARY OF THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OF THE COMPANY AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND RIGHTS, AND THE VARIATIONS IN RIGHTS, PREFERENCES AND LIMITATIONS DETERMINED FOR EACH SERIES, WHICH ARE FIXED BY THE CERTIFICATE OF INCORPORATION OF THE COMPANY, AS AMENDED, AND THE RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE COMPANY, AND THE AUTHORITY OF THE BOARD OF DIRECTORS TO DETERMINE VARIATIONS FOR FUTURE SERIES. SUCH REQUEST MAY BE MADE TO THE OFFICE OF THE SECRETARY OF THE COMPANY OR TO THE TRANSFER AGENT. THE BOARD OF DIRECTORS MAY REQUIRE THE OWNER OF A LOST OR DESTROYED STOCK CERTIFICATE, OR HIS LEGAL REPRESENTATIVES, TO GIVE THE COMPANY A BOND TO INDEMNIFY IT AND ITS TRANSFER AGENTS AND REGISTRARS AGAINST ANY CLAIM THAT MAY BE MADE AGAINST THEM ON ACCOUNT OF THE ALLEGED LOSS OR DESTRUCTION OF ANY SUCH 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	UNIF GIFT MIN ACT	-..Custodian.. (Cust) (Minor)
TEN ENT	- as tenants by the entireties		under Uniform Gifts to Minors Act.. (State)
JT TEN	- as joint tenants with right of survivorship and not as tenants in common	UNIF TRF MIN ACT	-.....................................Custodian (until age..............................) (Cust)
			.................under Uniform Transfers to Minors Act...................... (Minor) (State)

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

For value received, ____________________ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

____

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

____

____

____

____ Shares

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

____ Attorney

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

Dated: ______________________ 20 ______

Signature: ______________________________

Signature: ______________________________

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 whatever.

Signature(s) Guaranteed: Medallion Guarantee Stamp

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.

The IRS requires that the named transfer agent ("we") report the cost basis of certain shares or units acquired after January 1, 2011. If your shares or units are covered by the legislation, and you requested to sell or transfer the shares or units using a specific cost basis calculation method, then we have processed as you requested. If you did not specify a cost basis calculation method, then we have defaulted to the first in, first out (FIFO) method. Please consult your tax advisor if you need additional information about cost basis.

If you do not keep in contact with the issuer or do not have any activity in your account for the time period specified by state law, your property may become subject to unclaimed property laws and transferred to the appropriate state.

1534267

SECURITY INSTRUCTIONS

THIS IS WATERMARKED PAPER, DO NOT ACCEPT WITHOUT NOTING WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.

Exhibit 4.2

AXONICS MODULATION TECHNOLOGIES, INC.

FOURTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

MARCH 29, 2018

AXONICS MODULATION TECHNOLOGIES, INC.

FOURTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

This FOURTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (the "**Agreement**") is made as of as of March 29, 2018, by and among Axonics Modulation Technologies, Inc., a Delaware corporation (the "**Company**"), and each of the investors listed on Schedule A hereto (each, an "**Investor**" and collectively, the "**Investors**").

RECITALS

WHEREAS, the Company previously sold shares of Series A Preferred, Series B Preferred and Series C Preferred (each as defined below) to certain of the Investors (the "**Prior Investors**") and in connection with the sale of shares of Series C Preferred pursuant to the Amended and Restated Series C Preferred Stock Purchase Agreement, dated as of June 30, 2017 (the "**Prior Series C Purchase Agreement**"), the Company granted the Prior Investors certain rights as set forth in that certain Third Amended and Restated Investors' Rights Agreement, dated June 30, 2017, as supplemented and amended from time to time (the "**Prior Agreement**");

WHEREAS, the Company and certain of the Investors are parties to the Second Amended and Restated Series C Preferred Stock Purchase Agreement of even date herewith (the "**Series C Purchase Agreement**"), pursuant to which the Company will issue and sell additional shares of Series C Preferred (as defined below) to certain new Investors (the "**New Series C Investors**");

WHEREAS, this Agreement further amends and restates the terms of the Prior Agreement to afford the New Series C Investors, in their capacities as holders of Series C Preferred, additional rights and to adjust certain rights of the Prior Investors in relation thereto; and

WHEREAS, in order to induce the Company to further amend and restate the Prior Series C Purchase Agreement and to induce the New Series C Investors to invest funds in the Company pursuant to the Series C Purchase Agreement, the Investors and the Company hereby agree that this Agreement shall govern the rights of the Investors to cause the Company to register shares of the Company's Common Stock, par value $0.0001 per share ("**Common Stock**") issued or issuable to the Investors and to receive certain information from the Company, and shall govern certain other matters as set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the promises herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree hereto as follows:

1. Definitions. The following terms shall have the following meanings in this Agreement:

1.1 "**Affiliate**" shall have the meaning ascribed to it in the Series C Purchase Agreement.

1.2 "**Axonics Europe**" shall mean Axonics Europe, S.A.S., a French société par actions simplifiée).

1.3 "**EIF**" shall mean the European Investment Fund and its co-investors.

1.4 "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended.

1.5 "**Immediate Family Member**" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, of a natural person referred to herein.

1.6 "**Holder**" shall mean any person holding or deemed holding or having the right to acquire Registrable Securities or any authorized assignee thereof in accordance with Section 2.8 hereof. Any Preferred Stock issued or issuable pursuant to the Share Exchange Agreement (as defined below) shall be deemed outstanding and deemed held by the corresponding shareholder of Axonics Europe as a Holder hereunder for all purposes of this Agreement.

1.7 "**issued or issuable pursuant to the Share Exchange Agreement**" or any similar reference shall mean the shares of the Preferred Stock of the Company issued or issuable in the future in exchange for shares of stock of Axonics Europe pursuant to the exercise at any time by a shareholder of Axonics Europe of its Preferred Option in a Preferred Exchange, as such terms are defined in and under the terms and conditions of the Share Exchange Agreement.

1.8 "**Ownership Percentage**" shall mean and include, with respect to each Holder of Registrable Securities requesting inclusion of Registrable Securities in an offering pursuant to this Agreement, the number of Registrable Securities held or deemed held by such Holder divided by the number of all Registrable Securities held or deemed held by all Holders requesting registration in such offering.

1.9 "**Preferred Stock**" shall mean the Series A Preferred, Series B Preferred and the Series C Preferred, including any Preferred Stock issued or issuable pursuant to the Share Exchange Agreement.

1.10 "**Qualified Offering**" shall mean the Company's first firm commitment underwritten public offering of its Common Stock under the Securities Act with aggregate gross proceeds of at least $50,000,000 (before deduction of underwriters commissions and expenses) and a per share price equal to at least $18.00 (as adjusted for stock splits, combinations, stock dividends, recapitalizations and the like).

1.11 "**register**," "**registered**," and "**registration**" shall refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

1.12 "**Registrable Securities**" shall mean (i) the shares of Common Stock issued or issuable upon conversion of Preferred Stock (including any Preferred Stock issued or issuable pursuant to the Share Exchange Agreement), (ii) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or in exchange for, or in replacement of, the shares referenced in (i) above, or (iii) the shares of Common Stock held by the Alfred E. Mann Foundation for Scientific Research on the date of this Agreement, excluding in all cases, however, any Registrable Securities sold by a person in a transaction in which his, her or its rights under Section 2

were not assigned or that have been sold by a person pursuant to a registration statement under the Securities Act covering such Registrable Securities that has been declared effective by the SEC or in an open market transaction under Rule 144. The number of shares of "Registrable Securities" outstanding shall be determined by the total of (x) the number of shares of Common Stock outstanding that are Registrable Securities and (y) the number of shares of Common Stock issuable pursuant to then exercisable or convertible securities that are Registrable Securities, including any Preferred Stock issued or issuable pursuant to the Share Exchange Agreement, all of which shall be deemed to be "outstanding" for all purposes of this Agreement.

1.13 "**Rule 144**" shall mean Rule 144 under the Securities Act, and any similar successor rule or regulation.

1.14 "**Securities Act**" shall mean the Securities Act of 1933, as amended.

1.15 "**SEC**" shall mean the Securities and Exchange Commission.

1.16 "**Series A Preferred**" shall mean the Company's Series A Preferred Stock, par value $0.0001 per share.

1.17 "**Series B Preferred**" shall mean the Company's Series B-1 Preferred Stock, par value $0.0001 per share, and the Company's Series B-2 Preferred Stock, par value $0.0001 per share.

1.18 "**Series C Preferred**" shall mean the Company's Series C Preferred Stock, par value $0.0001 per share.

1.19 "**Share Exchange Agreement**" shall have the same meaning as in the Series C Purchase Agreement.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Demand Registrations.

(a) Requests for Registration. The Holders of more than thirty percent (30%) of the Registrable Securities then outstanding (the "**Requesting Holders**") may request registration under the Securities Act of all or part of their Registrable Securities on Form S-1 or any similar long-form registration statement ("**Long-Form Registration**"), or, if available, on Form S-3 or any similar short-form registration statement ("**Short-Form Registration**"); provided, that the Company shall not be required to effect a Long-Form Registration prior to the earlier of (i) three (3) years from the date of this Agreement and (ii) six (6) months subsequent to the Company's first firm commitment underwritten public offering of its Common Stock under the Securities Act (an "**IPO**"); provided, further, that any such request shall cover the registration of Registrable Securities with an anticipated aggregate offering price of at least $10,000,000. Any registration requested pursuant to this paragraph (a) is referred to herein as a "**Demand Registration**." Each request for a Demand Registration shall specify the number of Registrable Securities requested to be registered and the proposed underwriter. In the event that the Company receives a request for Demand Registration from the Requesting Holders, the Company shall: (i) within ten (10) days after receipt of any such request, give written notice of such requested registration to all other Holders (if any) of Registrable Securities; (ii) as soon as practicable use its best efforts to file with the SEC a registration statement under the Securities Act; and (iii) subject to paragraphs (d) and (e) below, include in such registration

all Registrable Securities with respect to which the Company has received written requests for inclusion therein within twenty (20) days after the mailing or delivery of the Company's notice of such requested Demand Registration.

(b) Long-Form Registrations.

(i) Subject to Section 2.1(c) below, the Requesting Holders will be entitled to request only one (1) Long-Form Registration pursuant to Section 2.1(a), for which the Company will pay all Registration Expenses (as defined in Section 2.7 below). A registration will not count as a Demand Registration until it has become effective or the Requesting Holders withdraw their request (unless such withdrawal is due to (A) the Requesting Holders learning of a material adverse change in the condition (financial or otherwise), operations, business, or prospects of the Company not known to such Holders at the time of their request or (B) to the Company's exercise of its right to delay registration under Section 2.1(e)).

(ii) The underwriter shall be selected by the Company and shall be reasonably acceptable to a majority in interest of the Holders that elect to participate in the Demand Registration. In any event, the right of any Holder to include his, her or its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriters selected for such underwriting.

(iii) Notwithstanding the foregoing, if the underwriter advises the Company in writing that marketing factors require a limitation of the number of shares to be underwritten, then the Company shall so advise all Holders of Registrable Securities which would otherwise be underwritten pursuant hereto, and the number of shares of Registrable Securities that may be included in the underwriting shall be allocated among the Holders according to each such Holder's Ownership Percentage, subject to paragraph (d) below.

(c) Short-Form Registrations. After its IPO, the Company shall use its best efforts to qualify for registration on Form S-3 or any comparable or successor form or forms. After the Company has qualified for the use of Form S-3, in addition to the Long-Form Registrations provided pursuant to paragraph (b), the Holders of the Registrable Securities then outstanding will be entitled to request unlimited Short-Form Registrations; provided, that the aggregate offering value of the Registrable Securities requested to be registered in any Short-Form Registration must equal at least $1,000,000 (notwithstanding any threshold set forth in paragraph (a)). Requests for Short-Form Registrations shall be in writing and shall state the number of Registrable Securities to be included in the registration.

(d) Priority on Demand Registrations. If a Demand Registration is an underwritten offering and the managing underwriters advise the Company in writing that, in their opinion, the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such offering exceeds the number of Registrable Securities and other securities, if any, which can be sold therein without adversely affecting the marketability of the offering (the "**Offering Quantity**"), the Company will include in such registration securities in the following priority:

(i) first, the Company shall include on a pro rata basis (based on each Holder's Ownership Percentage) all Registrable Securities requested to be included as a result of a Demand Registration up to the aggregate permitted amount; and

(ii) second, to the extent (and only to the extent) that the Offering Quantity exceeds the aggregate amount of Registrable Securities which are requested to be included in such registration, the Company shall include in such registration any other securities requested to be included in the offering.

Any persons other than Holders of Registrable Securities who participate in Demand Registrations must pay their share of the Registration Expenses as provided in Section 2.7 hereof and be subject to contribution and indemnification obligations on substantially the same terms set forth in Sections 2.3 and 2.4 below.

(e) Restrictions on Demand Registrations. The Company will not be obligated to effect any Demand Registration during the period starting ninety (90) days prior to the Company's good faith estimate of the date of filing of, and ending on a date one hundred eighty (180) days after the effective date of, a registration statement filed under the Securities Act (other than a registration statement on Form S-8); provided, that the Company must provide the Requesting Holders with notice of such delay within thirty (30) days of its receipt of the request for a Demand Registration. If the Company shall furnish to the Requesting Holders a certificate signed by the Chief Executive Officer of the Company that, in the good faith judgment of the Company's Board of Directors (the "**Board**"), it is seriously detrimental to the Company and its stockholders for such registration statement to be filed and it is therefore necessary to delay the filing of such registration statement, then the Company may postpone upon one occasion in any twelve (12) month period for up to ninety (90) days the filing or the effectiveness of a registration statement for a Demand Registration. In the case of such event, the holders of a majority of Registrable Securities requesting such Demand Registration will be entitled to withdraw such request and, if such request is withdrawn, such Demand Registration will not count as a Demand Registration hereunder and the Company will pay all Registration Expenses in connection with such withdrawn registration. The Company shall not be obligated to effect, or to take any action to effect any requested Demand Registration pursuant to Section 2.1(a) if such Requesting Holder's Registrable Securities may be immediately registered on Form S-3 pursuant to Section 2.1(c).

2.2 "Piggy Back" Registration.

(a) If at any time the Company shall determine to register under the Securities Act (including pursuant to a Demand Registration) any of its Common Stock (other than (i) a registration relating solely to the sale of securities to participants in a Company employee benefits plan, (ii) a registration on any form which does not include substantially the same information regarding the Company as would be required to be included in a registration statement covering the sale of the Registrable Securities, (iii) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities which are also being registered, or (iv) a registration relating to a corporate reorganization or other transaction under Rule 145 under the Securities Act), it shall send to each Holder written notice of such determination, and, if within twenty (20) days after receipt of such notice, such Holder shall so request in writing, the Company shall use its best efforts to include in such registration statement all or any part of the Registrable Securities that such Holder requests to be registered, except that the Company and its underwriters may impose a limitation on the number of shares of Common Stock included in any

such registration statement if such limitation is necessary based on market conditions, in accordance with the following:

(b) If such registration involves an underwritten public offering and the total amount of securities requested to be included in such offering exceeds the amount of securities that the managing underwriter determines in its sole discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities which the managing underwriter determines in its sole discretion will not jeopardize the success of the offering (the securities so included to be apportioned in the following order of priority (A) first, to the Company, (B) second, if applicable, among the Holders requesting to sell Registrable Securities under Section 2.1 according to each such Holder's Ownership Percentage, (C) third, among the Holders requesting to sell Registrable Securities under this Section 2.2 according to each such Holder's Ownership Percentage and (D) fourth, to the extent additional securities may be included therein, pro rata among the other selling stockholders according to the total amount of securities held or deemed held by each such stockholder); provided, however, that in any registration covered by this Section 2.2, the number of shares requested to be included by the Holders shall not be reduced below twenty-five percent (25%) of the total number of securities to be included in the registration, unless such offering is the initial public offering of the Company's Common Stock and such registration does not include shares of any other selling stockholders, in which event any or all of the Registrable Securities of the Holders may be excluded in accordance with the immediately preceding clause. In no event will shares of any other selling stockholder be included in such registration that would reduce the number of shares which may be included by Holders without the written consent of Holders of not less than sixty six and two-thirds percent (66 2/3%) of the Registrable Securities proposed to be sold in the offering. For purposes of the preceding parenthetical concerning apportionment, for any selling stockholder which is a Holder of Registrable Securities and which is a partnership, limited liability company or corporation, the partners, retired partners, members, retired members and stockholders of such holder, or the estates and family members of any such partners, retired partners, members and retired members and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single "selling stockholder", and any pro-rata reduction with respect to such "selling stockholder" shall be based upon the aggregate amount of shares carrying registration rights held or deemed held by all entities and individuals included in such "selling stockholder," as defined in this sentence.

(c) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2 whether or not any Holder has elected to include securities in such registration and shall promptly notify any Holder that has elected to include shares in such registration of such termination or withdrawal. The registration expenses of such withdrawn registration shall be borne by the Company in accordance with Section 2.7 hereof.

2.3 Indemnification.

(a) Indemnification of Holders. In the event that the Company registers any of the Registrable Securities under the Securities Act, the Company will indemnify and hold harmless each Holder, the partners, officers and directors of each Holder, and each underwriter of the Registrable Securities so registered (including any broker or dealer through whom such shares may be sold) and each person, if any, who controls such Holder or any such underwriter within the meaning of Section 15 of the Securities Act from and against any and all losses, claims, damages, expenses or liabilities (or any action in respect thereof), joint or several, to which they or any of them

become subject under the Securities Act or under any other statute or at common law or otherwise, and, except as hereinafter provided, will reimburse each such Holder, the partners, officers and directors of such Holder, each such underwriter and each such controlling person, if any, for any legal or other expenses reasonably incurred by them or any of them, as such expenses are incurred, in connection with investigating or defending any actions whether or not resulting in any liability, insofar as such losses, claims, damages, expenses, liabilities or actions arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the registration statement, in any preliminary or amended preliminary prospectus or in the prospectus (or the registration statement or prospectus as from time to time amended or supplemented by the Company); (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading or (iii) any violation by the Company of the Securities Act, the Exchange Act, a state securities law or any rule or regulation under the Securities Act, the Exchange Act or any state securities law; provided, however, that the indemnity contained in this Section 2.3(a) will not apply where such untrue statement or omission was made in such registration statement, preliminary or amended, preliminary prospectus or prospectus in reliance upon and in conformity with information furnished in writing to the Company in connection therewith by such Holder, the partners, officers and directors of such Holder, any such underwriter or any such controlling person expressly for use therein. Promptly after receipt by any Holder, the partners, officers and directors of each Holder, any underwriter or any controlling person of notice of the commencement of any action in respect of which indemnity may be sought against the Company, such Holder, the partners, officers and directors of such Holder, or such underwriter or such controlling person, as the case may be, will notify the Company in writing of the commencement thereof, and, subject to the provisions hereinafter stated, the Company shall assume the defense of such action (including the employment of counsel, who shall be counsel reasonably satisfactory to such Holder, the partners, officers and directors of such Holder, such underwriter or such controlling person, as the case may be), and the payment of expenses insofar as such action shall relate to any alleged liability in respect of which indemnity may be sought against the Company. Such Holder, the partners, officers and directors of such Holder, any such underwriter or any such controlling person shall have the right to employ separate counsel in any such action and to participate in the defense thereof in the event the representation of such Holder, the partners, officers and directors of such Holder, partner, officer or director of such Holder, underwriter or controlling person by counsel retained by or on the behalf of the Company would be inappropriate due to conflicts of interest between any such person and any other party represented by such counsel in such proceeding or action, in which case the Company shall pay, as incurred, the fees and expenses of such separate counsel. The Company shall not be liable to indemnify any person under this Section 2.3(a) for any settlement of any such action effected without the Company's consent (which consent shall not be unreasonably withheld). The Company shall not, except with the approval of each party being indemnified under this Section 2.3(a) (which approval will not be unreasonably withheld), consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to the parties being so indemnified of a release from all liability in respect to such claim or litigation.

(b) Indemnification of Company. In the event that the Company registers any of the Registrable Securities under the Securities Act, each Holder of the Registrable Securities so registered, severally but not jointly, will indemnify and hold harmless the Company, each of its directors, each of its officers who have signed the registration statement, each underwriter of the Registrable Securities so registered (including any broker or dealer through whom any of such shares may be sold) and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act from and against any and all losses, claims, damages, expenses or liabilities (or

any action in respect thereof), to which they or any of them may become subject under the Securities Act or under any other statute or at common law or otherwise, and, except as hereinafter provided, will reimburse the Company and each such director, officer, underwriter or controlling person for any legal or other expenses reasonably incurred by them or any of them, as such expenses are incurred, in connection with investigating or defending any actions whether or not resulting in any liability, in each case insofar as such losses, claims, damages, expenses, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the registration statement, in any preliminary or amended preliminary prospectus or in the prospectus (or the registration statement or prospectus as from time to time amended or supplemented) or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, but only insofar as any such statement or omission was made in reliance upon and in conformity with information furnished in writing to the Company in connection therewith by such Holder, expressly for use therein; provided, however, that the aggregate of such Holder's obligations hereunder shall be limited to an amount equal to the net proceeds to such Holder of the Registrable Securities sold in such registration. Promptly after receipt of notice of the commencement of any action in respect of which indemnity may be sought against such Holder of Registrable Securities, the Company will notify such Holder of Registrable Securities in writing of the commencement thereof, and such Holder of Registrable Securities shall, subject to the provisions hereinafter stated, assume the defense of such action (including the employment of counsel, who shall be counsel satisfactory to the Company) and the payment of expenses insofar as such action shall relate to the alleged liability in respect of which indemnity may be sought against such Holder of Registrable Securities. The Company and each such director, officer, underwriter or controlling person shall have the right to employ separate counsel in any such action and to participate in the defense thereof in the event the representation of the Company, any of its officers or directors or any underwriter or controlling person by counsel retained by or on the behalf of such Holder would be inappropriate due to conflicts of interest between any such person and any other party represented by such counsel in such proceeding or action, in which case such Holder shall pay, as incurred, the fees and expenses of such separate counsel. Notwithstanding the two preceding sentences, if the action is one in which the Company is reasonably likely to be obligated to indemnify any Holder of Registrable Securities pursuant to Section 2.3(a), the Company shall have the right to assume the defense of such action, subject to the right of such holders to participate therein as permitted by Section 2.3(a). Such Holder shall not be liable to indemnify any person for any settlement of any such action effected without such Holder's consent (which consent shall not be unreasonably withheld). Such Holder shall not, except with the approval of the Company (which approval shall not be unreasonably withheld), consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to the party being so indemnified of a release from all liability in respect to such claim or litigation.

2.4 Contribution. If the indemnification provided for in Section 2.3 is applicable by its terms but is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage, or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations; provided, however, that the aggregate of such Holder's obligations hereunder and under Section 2.3 shall be limited to an amount equal to the net proceeds to such Holder of the

Registrable Securities sold in such registration. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission. The obligations of the Company and the Holders under Sections 2.3 and this 2.4 shall survive completion of any offering of Registrable Securities in a registration statement and the termination of this Agreement.

2.5 Securities Act Registration. With a view to making available to the Holders the benefits of Rule 144 promulgated under the Securities Act and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration, the Company agrees to:

(a) use its best efforts to make and keep public information available, as those terms are understood and defined in Rule 144 of the Securities Act, at all times after ninety (90) days after the effective date of the first registration statement filed by the Company for the offering of its securities to the general public;

(b) file on a timely basis with the SEC all information that the Commission may require under either of Section 13 or Section 15(d) of the Exchange Act and, so long as it is required to file such information, take all action that may be required as a condition to the availability of Rule 144 under the Securities Act with respect to the Company's Common Stock; and

(c) furnish to any Holder forthwith upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144, (ii) a copy of the most recent annual or quarterly report of the Company as filed with the SEC and (iii) any other reports and documents that a Holder may reasonably request in availing itself of any rule or regulation of the SEC allowing a Holder to sell any such Registrable Securities without registration.

2.6 Further Obligations of the Company. Whenever the Company is required hereunder to register Registrable Securities, it agrees that it shall also do the following as expeditiously as reasonably possible:

(a) Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use all reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for up to ninety (90) days or, if earlier, until the Holders have completed the distribution related thereto;

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for the period set forth in Section 2.6(a) above;

(c) Furnish to each selling Holder such copies of each preliminary and final prospectus and any other documents that such Holder may reasonably request to facilitate the public offering of its Registrable Securities;

(d) Use its best efforts to register or qualify the Registrable Securities to be registered pursuant to this Agreement under the applicable securities or "blue sky" laws of such jurisdictions as any selling Holder may reasonably request; provided, however, that the Company shall not be obligated to qualify to do business in any jurisdiction where it is not then so qualified or to take any action that would subject it to the service of process in suits other than those arising out of the offer or sale of the securities covered by the registration statement in any jurisdiction where it is not then so subject, unless the Company is already subject to service in such jurisdiction and except as required by the Securities Act;

(e) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and promptly prepare and file with the SEC such amendments and supplements to such prospectus and registration statement as may be required so that such prospectus and registration statement, as so amended and supplemented, will no longer include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make statements therein not misleading in the light of circumstances then existing;

(f) Cause all such Registrable Securities registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed;

(g) Provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement;

(i) Furnish, at the request of any selling Holder, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a Demand Registration, if such securities are to be sold through underwriters, an opinion, dated such date, addressed to the underwriters, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering;

(j) Obtain "comfort" letters signed by the Company's independent public accountants who have examined and reported on the Company's financial statements included in the registration statement, to the extent permitted by the standards of the American Institute of Certified Public Accountants, covering substantially the same matters with respect to the registration statement (and the prospectus included therein) and (in the case of the accountants' "comfort" letters) with respect to events subsequent to the date of the financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' "comfort" letters delivered to the underwriters in underwritten public offerings of securities, but only if and to the extent that the Company is required to deliver or cause the delivery of such opinion or "comfort" letters to the underwriters in an underwritten public offering of securities;

(k) Permit each selling Holder or his counsel or other representatives to inspect and copy such corporate documents and records as may reasonably be requested by them; and

(l) Furnish to each selling Holder, upon request, a copy of all documents filed and all correspondence from or to the SEC in connection with any such offering unless confidential treatment of such information has been requested of the SEC.

2.7 Expenses.

(a) In the case of a registration under Sections 2.1 or 2.2 the Company shall bear all costs and expenses of each such registration, including, but not limited to, printing, legal and accounting expenses, SEC filing fees, all fees of the Financial Industry Regulatory Authority, Inc., stock exchange listing fees and qualification fees, and transfer taxes (including reasonable fees and disbursements of one counsel for the selling Holders selected by them not to exceed $20,000 per registration); provided, that the Company shall have no obligation to pay or otherwise bear (i) any portion of the underwriter's commissions or discounts attributable to the Registrable Securities being offered and sold by the Holders of Registrable Securities or (ii) any of such expenses if the payment of such expenses by the Company is prohibited by the laws of a state in which such offering is qualified and only to the extent so prohibited.

(b) The obligations of the Company in Section 2.7(a) shall be subject to the qualification that the Company shall not be required to pay for (i) any expenses of any registration proceeding begun pursuant to Section 2.1(b) if the registration request is subsequently withdrawn at the request of the initiating Holders (in which case, subject to the last proviso of this Section 2.7(b), all initiating Holders shall bear such expenses pro rata based upon the total number of Registrable Securities requested to be included therein by each such Holder), unless such initiating Holders agree to forfeit their right to one (1) Demand Registration or (ii) any expenses of any registration proceeding begun pursuant to Section 2.1(c) if the registration request is subsequently withdrawn at the request of the Holders initiating such registration (in which case, subject to the last proviso of this Section 2.7(b), all Holders initiating such registration shall bear such expenses pro rata based upon the total number of Registrable Securities requested to be included therein by each such Holder); provided, however, that if at the time of such withdrawal of registration request under Sections 2.1(b) or (c), (1) the initiating Holders have learned of a material adverse change in the condition, business, or prospects of the Company not known to such Holders at the time of their request, and (2) such initiating Holders have withdrawn the request within a reasonable time following discovery of such material adverse change, then such initiating Holders shall not be required to pay any of such expenses with respect to any registration under either Sections 2.1(b) or (c) and shall retain their rights pursuant to Section 2.1; provided, further, that if the Company exercised its right to delay registration under Section 2.1(e), the Holders shall not be required to pay expenses until the period of delay has passed. All expenses of registrations under Sections 2.1 or 2.2 not set forth above shall be borne pro rata based upon the total number of Registrable Securities requested to be included therein by each Holder.

2.8 Transfer of Registration Rights. The registration rights of a Holder of Registrable Securities under this Agreement may be transferred as set forth below; provided, that (i) the transferee covenants to be bound by the terms of this Agreement and delivers an executed counterpart to this Agreement and (ii) the Company is given written notice prior to such transfer. The registration rights of a Holder of Registrable Securities may be transferred to (A) any Affiliate, (B) any partner or retired partner of any Holder which is a partnership, (C) any member or former

member of any Holder which is a limited liability company, (D) any family member or trust for the benefit of any individual Holder, or (E) any transferee which would become a holder of at least 10% of the shares of Registrable Securities (as adjusted for stock splits, combinations, stock dividends, recapitalizations and the like), provided that the Company is given written notice thereof. If a Holder transfers or assigns less than all of its Registrable Securities, the Holder shall retain the registration rights granted under this Agreement with respect to the Registrable Securities retained by such Holder. Notwithstanding the foregoing, the registration rights of a Holder under this Agreement shall not be transferred to a person or entity which is a competitor of the Company, or any Affiliate of such a person or entity, as determined in good faith by the Board. If reasonably requested by the Company, such Holder shall have furnished the Company with an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration of such shares under the Securities Act. It is agreed that the Company will not require opinions of counsel for (i) transactions made pursuant to Rule 144 except in unusual circumstances or (ii) in any transaction in which a Holder distributes Registrable Securities to an Affiliate of such Holder or to any general partner, limited partner or member of such Holder.

2.9 No Superior Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of at least a two-thirds of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company granting such Holder (i) rights to demand the registration of their shares or to include their shares in a registration statement that would reduce the number of shares includable by the Holders or (ii) any other registration rights with respect to such securities on a parity with or senior to the registration rights of the Holders.

2.10 Termination of Registration Rights. The obligations of the Company to register any Holder's Registrable Securities pursuant to this Section 2 shall terminate upon the earlier of the following: (i) with respect to all Holders, five (5) years after the Company's IPO; and (ii) with respect to a particular Holder, at such time as such Holder holds Registrable Securities constituting less than one percent (1%) of the outstanding voting stock of the Company if, after the Company's IPO, all of such Holder's Registrable Securities may immediately be sold under Rule 144 during any ninety (90) day period.

2.11 Legends.

(a) Concurrently with the execution of this Agreement there shall be imprinted or otherwise placed, on certificates representing Registrable Securities a restrictive legend in substantially the following form (the "**Legend**"):

> "THE SALE, PLEDGE, HYPOTHECATION OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN FOURTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT BY AND BETWEEN THE HOLDER, THE COMPANY AND CERTAIN HOLDERS OF STOCK OF THE COMPANY. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY."

(b) The Company agrees that, during the term of this Agreement, it will not remove, and will not permit to be removed (upon registration of transfer, reissuance of otherwise), the Legend from any such certificate and will place or cause to be placed the Legend on any new certificate issued to represent Registrable Securities theretofore represented by a certificate carrying the Legend.

(c) Any legend endorsed or an instrument pursuant to applicable state securities laws and the stop-transfer instructions with respect to such securities shall be removed upon receipt by the Company of an order of the appropriate blue sky authority authorizing such removal.

3. Covenants of the Company.

3.1 Right of First Offer. Subject to the terms and conditions specified in this Section 3.1 and only after giving effect to Section 3.2 below, the Company hereby grants to each holder of at least five percent (5%) of the shares of Preferred Stock (measured on an as-converted basis, and including any Preferred Stock issued or issuable pursuant to the Share Exchange Agreement) (a "**Major Investor**") a right of first offer with respect to future sales by the Company of its Shares (as hereinafter defined). Any Preferred Stock issued or issuable pursuant to the Share Exchange Agreement shall be deemed outstanding and held by the Major Investor for all purposes of this Agreement. A Major Investor shall be entitled to apportion the right of first offer hereby granted it among itself and its Affiliates in such proportions as it deems appropriate. Except as otherwise set forth herein, if subsequent to the date of this Agreement, the Company proposes to offer any shares of, or securities convertible into or exchangeable or exercisable for any shares of, any class of its capital stock ("**Shares**"), the Company shall first make an offering of such Shares to each Major Investor in accordance with the following provisions:

(a) The Company shall deliver a notice in accordance with Section 4.4 ("**Notice**") to the Major Investors stating (i) its bona fide intention to offer such Shares, (ii) the number of such Shares to be offered, (iii) the price and terms upon which it proposes to offer such Shares and (iv) the names of the prospective purchasers.

(b) By written notification received by the Company within twenty (20) calendar days after receipt of the Notice, each Major Investor may elect to purchase or obtain, at the price and on the terms specified in the Notice, up to that portion of such Shares that equals the ratio that (i) the number of shares of Common Stock held or deemed held by such Major Investor (measured on an as-converted basis, and including (x) all shares of Common Stock issuable upon the exercise of any outstanding warrants or options and (y) all shares of Common Stock issuable upon the conversion of any Preferred Stock issued or issuable pursuant to the Share Exchange Agreement) bears to (ii) the total number of shares of the Common Stock then outstanding (measured on an as-converted basis, and including (x) all shares of Common Stock issuable upon the exercise of any outstanding warrants or options and (y) all shares of Common Stock issuable upon the conversion of any Preferred Stock issued or issuable pursuant to the Share Exchange Agreement) (a "**Pro-Rata Share**"). For purposes of this Section 3, the number of shares of Common Stock held by BioDiscovery 4 FPCI ("**BioDiscovery 4**") and Coöperatieve Gilde Healthcare IV U.A. ("**Gilde**") and the aggregate number of shares of Common Stock held by all Investors shall include the securities issuable to BioDiscovery 4 and Gilde and to any other Investor pursuant to the Share Exchange Agreement.

(c) To the extent any Major Investor fails to fully exercise its rights pursuant to Section 3.1(b) as to its full Pro-Rata Share of the Shares (the "**Unexercised Shares**") offered within

said twenty (20) day period, the Company shall give each Major Investor who has elected to exercise its rights pursuant to Section 3.1(b) notice that such Major Investor may elect to purchase all or any portion of the Unexercised Shares upon similar terms as previously offered (the "**Oversubscription Right**"). Each such Major Investor shall have twenty (20) days after the date of receipt of notice pursuant to this Section 3.1(c) to agree to purchase all or any portion of the Unexercised Shares by giving written notice to the Company and stating therein the quantity of Unexercised Shares to be purchased; provided, that if the Major Investors in the aggregate elect to purchase more shares than are available as Unexercised Shares, such securities shall be allocated to such Major Investors on a pro rata basis which equals the proportion that the number of shares of the Common Stock held or deemed held by such Major Investor (measured on an as converted basis, and (x) including all shares of Common Stock issuable upon the exercise of any outstanding warrants or options and (y) all shares of Common Stock issuable upon the conversion of any Preferred Stock issued or issuable pursuant to the Share Exchange Agreement) bears to the total number of shares of Common Stock then outstanding (measured on an as-converted basis, and including (x) all shares of Common Stock issuable upon the exercise of any outstanding warrants or options and (y) all shares of Common Stock issuable upon the conversion of any Preferred Stock issued or issuable pursuant to the Share Exchange Agreement) and then held or deemed held by all Major Investors that elected to purchase Shares in the Oversubscription Right.

(d) If all Shares that Major Investors are entitled to obtain pursuant to Sections 3.1(b) and (c) are not elected to be obtained as provided in Sections 3.1(b) and (c) hereof, the Company may, during the ninety (90) day period following the expiration of the period provided in Section 3.1(c) hereof, offer the remaining unsubscribed portion of such Shares to any person or persons at a price not less than that, and upon terms no more favorable to the offeree than those, specified in the Notice. If the Company does not enter into an agreement for the sale of the Shares within such period, or if such agreement is not consummated within sixty (60) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Shares shall not be offered unless first reoffered to the Major Investors in accordance herewith.

(e) The right of first offer in this Section 3.1 shall not be applicable to (i) shares of Common Stock reserved for issuances to directors, officers, employees and consultants pursuant to stock option plans and agreements approved by the Board (the "**Employee Pool**"), (ii) the issuance of securities in connection with the acquisition of a business entity or business segment of any such entity by the Company by merger, purchase, consolidation or other similar business combination, as approved by the Board, (iii) the issuance of securities in connection with equipment leases, real property leases, bank financings, strategic alliances or similar transactions as approved by the Board, provided that such transactions do not have equity financing as a substantial component, (iv) the issuance of Series C Preferred pursuant to the Series C Purchase Agreement or the Share Exchange Agreement, (v) the issuance of securities in a registered public offering or IPO, (vi) the issuance of securities pursuant to currently outstanding options, warrants, notes, convertible securities or other rights to acquire securities of the Company, including the issuance of shares of Common Stock upon the conversion of any of the Preferred Stock of the Company, or (vii) stock splits, stock dividends or like transactions. In addition to the foregoing, the right of first offer in this Section 3.1 shall not be applicable with respect to any Major Investor and any subsequent offering of Shares if the offer and sale to such Major Investor would cause the Company to be in violation of applicable federal or state securities laws by virtue of such offer or sale.

(f) The rights under this Section 3.1 may be transferred by a Major Investor to the same parties, subject to the same restrictions as any transfer of registration rights pursuant to Section 2.8.

(g) The covenants set forth in this Section 3.1 shall terminate and be of no further force or effect upon (i) the closing of a Qualified Offering, or (ii) a Liquidation (as defined in the Company's Fourth Amended and Restated Certificate of Incorporation (as amended, the "**Restated Certificate**")), whichever event shall first occur.

3.2 Longitude Right of First Offer. Subject to the terms and conditions specified in this Section 3.2, the Company hereby grants to Longitude Venture Partners III, L.P. ("**Longitude**") a right of first offer with respect to future sales by the Company of its Shares (the "**Longitude Right of First Offer**"). The Longitude Right of First Offer shall expire once the Company has raised $60 million in aggregate gross proceeds from the sale of Shares in one or more transactions after the date hereof. Except as otherwise set forth herein, if subsequent to the date of this Agreement, the Company proposes to offer any Shares, the Company shall first make an offering of such Shares to Longitude in accordance with the following provisions:

(a) The Company shall deliver a notice in accordance with Section 4.4 (the "**Longitude Notice**") to Longitude stating (i) its bona fide intention to offer such Shares, (ii) the number of such Shares to be offered, (iii) the aggregate purchase price of such Shares (the "**Aggregate Amount**") and terms upon which it proposes to offer such Shares and (iv) the names of the prospective purchasers.

(b) By written notification received by the Company within twenty (20) calendar days after receipt of the Longitude Notice, Longitude may elect to purchase or obtain, at the price and on the terms specified in the Longitude Notice, Shares representing up to thirty-three percent (33%) of the Aggregate Amount specified in the Longitude Notice.

(c) So long the Longitude Right of First Offer is exercisable, such right shall be in lieu of, and not in addition to, the right of first offer afforded to Major Investors as set forth in Section 3.1; provided, however that if a future sale by the Company of its Shares results in aggregate gross proceeds greater than $60 million, Longitude shall have the right, but not the obligation, to purchase up to the greater of (i) $20 million of the Shares being sold or (ii) Longitude's pro rata share pursuant to the right of first offer set forth in Section 3.2.

(d) The Longitude Right of First Offer in this Section 3.2 shall not be applicable to the issuances of equity securities described in Section 3.1(e).

(e) For the avoidance of doubt, to the extent the Longitude Right of First Offer is exercisable, the right of first offer provided for in Section 3.1 shall be secondary to the Longitude Right of First Offer and shall only apply to the Shares Longitude has not elected to purchase or is nto entitled to purchase under this Section 3.2.

This Section 3.2 shall terminate and be of no further force or effect upon (i) the closing of a Qualified Offering, or (ii) a Liquidation, whichever event shall first occur.

3.3 Reservation of Common Stock. The Company will at all times reserve and keep available, solely for issuance and delivery upon the conversion of the Preferred Stock, all Common Stock issuable from time to time upon such conversion.

3.4 Covenants. The Company agrees that the following covenants shall remain in effect until the Company's IPO:

(a) Information Rights. So long as an Investor is a Major Investor, the Company shall furnish to each Major Investor the following reports:

(i) as soon as practicable, but in any event within one hundred eighty (180) days after the end of each fiscal year of the Company (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year, and a comparison between (x) the actual amounts as of and for such fiscal year and (y) the comparable amounts for the prior year and as included in the Budget (as defined in Section 3.4(a)(iv)) for such year, with an explanation of any material differences between such amounts and a schedule as to the sources and applications of funds for such year, and (iii) a statement of stockholders' equity as of the end of such year, all such financial statements audited and certified by independent public accountants selected by the Company;

(ii) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, a statement showing the number of shares of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Common Stock issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Common Stock and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit the Major Investors to calculate their respective percentage equity ownership in the Company, and certified by the chief financial officer or chief executive officer of the Company as being true, complete, and correct;

(iii) as soon as practicable, but in any event within twenty (20) business days of the end of each month, an unaudited income statement and statement of cash flows for such month and the fiscal year to date, and an unaudited balance sheet and statement of stockholders' equity as of the end of such month and the fiscal year to date, all prepared in accordance with generally accepted accounting principles ("**GAAP**") (except that such financial statements may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(iv) Annually (and in any event no later than thirty (30) days prior to the beginning of each fiscal year) the annual budget and operating plans of the Company for the next succeeding fiscal year, in such manner and form as approved by the Board but including monthly projections in the same format as the financial statements in Sections 3.4(a)(i) and (iii) (and as soon as available, any subsequent written revisions thereto) (the "**Budget**").

All such reports shall include the corresponding information for any subsidiary of the Company, including Axonics Europe. The rights granted pursuant to this Section 3.4 may not be assigned or otherwise conveyed by any holder or by any subsequent transferee of any such rights without the written consent of the Company, which consent shall not be unreasonably withheld; and provided,

further, that no such written consent shall be required if the transfer is in connection with the transfer of securities between affiliated venture capital funds, or to any partner, retired partner, member or retired member of any Investor that is a general or limited partnership or a limited liability company or to any such Investor's estate.

(b) Inspection Rights. Each Major Investor shall have the right at such Major Investor's expense, to visit and inspect any of the properties of the Company, to discuss the affairs, finances and accounts of the Company with its officers, and to review such information as is reasonably requested all at such reasonable times during normal business hours as may be requested by such Major Investor upon reasonable notice to the Company's Chief Executive Officer; provided, however, that the Company shall not be obligated to comply with this Section 3.4(b) with respect to a competitor of the Company or with respect to information which the Board determines in good faith would result in public disclosure of a trade secret or similar confidential information.

(c) EIF Audit Rights. In order to monitor and confirm compliance by Gilde with the investment and regulatory requirements of the European Recovery Programme (ERP)—European Investment Fund Facility (as then constituted), EIF further shall have the right enter the premises and to audit and examine the relevant books and records of the Company at such reasonable times during normal business hours as may be requested by EIF upon reasonable notice to the Company's Chief Executive Officer. The audit and examination may be conducted either in person by the EIF or by a duly authorized third party representative. The Company further shall provide EIF or Gilde with specific information regarding the Company as may be reasonably required by the EIF upon request. Such audit and examination and such information shall be subject to the confidentiality provisions of this Section 3.4.

(d) Confidentiality. Each Investor agrees to use, and to use its best efforts to ensure that its authorized representatives use, the same degree of care as such Investor uses to protect its own confidential information to keep confidential any information furnished to it pursuant to this Agreement which the Company identifies as being confidential or proprietary (so long as such information was not in the public domain prior to the time it was furnished to such Investor) except that such Investor may disclose such proprietary or confidential information (i) to any partner, member, entity under common investment management, subsidiary, parent, representative or advisor of such Investor (including, in the case of Gilde, EIF or its representatives) for the purpose of evaluating its investment in the Company so long as such partner, member, entity under common investment management, subsidiary, parent, representative or advisor is advised of the confidentiality provisions of this Section 3.4 and agrees to be bound thereby, (ii) at such time as it enters the public domain through no fault of such Investor, (iii) that is communicated to it free of any obligation of confidentiality, (iv) that is developed by Investor or its agents independently of and without reference to any confidential information communicated by the Company or (v) as required by applicable law or the rules and regulations of an administrative agency or other government body; provided, that any Investor may provide financial information to its partners or members as required by any partnership agreement or limited liability company operating agreement.

(e) Option Plan. The Company shall, subject to stockholder approval, increase the authorized number of shares of Common Stock issuable pursuant to the Company's 2014 Stock Incentive Plan at the Third Closing (as defined in the Series C Purchase Agreement) to represent 15.75% of the Company's fully diluted shares of capital stock then outstanding (assuming the conversion of Preferred Stock (including any Preferred Stock issued or issuable pursuant to the Share

Exchange Agreement), and the conversion or exercise of any outstanding securities convertible or exercisable for Common Stock).

(f) Proprietary Information and Inventions Agreement. The Company shall require all employees and consultants to execute and deliver a Proprietary Information and Inventions Agreement substantially in a form approved by the Company's counsel or the Board.

(g) Insurance. The Company shall use commercially reasonable best efforts to maintain a directors' and officers' insurance policy, of at least $3 million and with coverage appropriate to the nature and scope of the Company's business as presently conducted and as proposed to be conducted.

(h) Non-Employee Director Compensation. If and to the extent that the Company compensates its non-employee directors, the Company shall compensate all non-employee Investor-designated directors in a uniform manner.

(i) French Board Meetings. Unless otherwise agreed by the Board, the Board shall hold at least one (1) meeting per year in Paris, France at the offices of EDRIP, the general partner of BioDiscovery 4.

(j) Noble Board Observer. The Company shall invite a representative of Noble Prestige Holdings Limited ("**Noble**") to attend all meetings of the Board in a nonvoting observer capacity and, in this respect, shall give the representative copies of all notices, minutes, consents, and other materials that it provides to its directors; provided, however, that such representative shall agree to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided and shall enter into the Company's form of confidentiality agreement; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest, or if such Investor or its representative is a competitor of the Company. Noble shall pay for all expenses incurred by its representative for such representative's attendance of any and all Board meetings. This Section 3.4(j) shall terminate and be of no further force or effect upon the closing of a Qualified Offering.

(k) Longitude Board Observer. The Company shall invite a representative of Longitude to attend all meetings of the Board and any committee of the Board in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors; provided, however, that such representative shall agree to hold in confidence all information so provided and shall enter into the Company's reasonable form of confidentiality agreement; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could reasonably be expected to, after consultation with counsel, adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest. Longitude shall pay for all expenses incurred by its representative for such representative's attendance of any and all Board meetings. This Section 3.4(k) shall terminate and be of no further force or effect upon the closing of a Qualified Offering.

3.5 Matters Requiring Director Approval. Without limiting the "Protective Provisions" set forth in the Restated Certificate, the Company hereby covenants and agrees with each of the Holders that it shall not, without approval of two-thirds of the members of the Board, with respect to the Company (all references to which shall be deemed to include Axonics Europe):

(a) make, or permit any subsidiary to make, any loan or advance to, or own any stock or other securities of, any subsidiary or other corporation, partnership, or other entity unless it is wholly owned by the Company;

(b) make, or permit any subsidiary to make, any loan or advance to any natural or legal person (unless such person is an entity wholly owned by the Company), including, without limitation, any employee or director of the Company or any subsidiary, except advances and similar expenditures in the ordinary course of business or under the terms of an employee stock or option plan approved by the Board;

(c) guarantee, directly or indirectly, or permit any subsidiary to guarantee, directly or indirectly, any indebtedness, except for trade accounts of the Company or any subsidiary arising in the ordinary course of business;

(d) make, or permit any subsidiary to make, any investment inconsistent with any investment policy or budget approved by the Board; provided that the Company may make investments in prime commercial paper, money market funds, certificates of deposit in any United States or French bank having a net worth in excess of $100,000,000 (or Euro equivalent) or obligations issued or guaranteed by the United States of America or France, in each case having a maturity not in excess of two (2) years;

(e) incur, or permit any subsidiary to incur, aggregate indebtedness in excess of $100,000 that is not already included in a budget approved by the Board, other than equipment leases or trade debt incurred in the ordinary course of business;

(f) otherwise enter into or be a party to, or permit any subsidiary to enter into or be a party to, any material transaction with any director, officer, or employee of the Company except for transactions contemplated by the Transaction Agreements (as defined in the Series C Purchase Agreement, Series A Preferred Stock Purchase Agreement, dated as of March 14, 2014, by and among the Company and certain of the Prior Investors, and the Series B-1 and Series B-2 Preferred Stock Purchase Agreement, dated as of December 4, 2015, by and among the Company and certain of the Prior Investors) or transactions undertaken per a plan previously approved by the Board;

(g) hire, terminate (other than for cause) or change the compensation of the officers of the Company, or approve any option grants or stock awards to executive officers (or permit any subsidiary to do so with respect to executive officers of any subsidiaries);

(h) change the Strategy (as defined in the Restated Certificate);

(i) commence or settle material litigation;

(j) amend or waive any provision of the License Agreement (as defined in the Series C Purchase Agreement);

(k) sell, assign, transfer, license, pledge, or encumber material technology, intellectual property or other material assets of the Company (including to any subsidiary) or any subsidiary of the Company, other than licenses granted in the ordinary course of business;

(l) undertake an IPO;

(m) approve a Budget;

(n) form any subsidiary of the Company or enter into any joint venture arrangement with another party; or

(o) authorize or issue any security with any rights that are pari passu with, or superior to, the rights of the Series C Preferred or any reclassification of any class or series of capital stock.

4. Miscellaneous.

4.1 Transfers; Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate of a Holder; (ii) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder or one or more of such Holder's Immediate Family Members; or (iii) after such transfer, holds at least ten percent (10)% of the shares of Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations). For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate or stockholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

4.2 Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without regard for conflicts of laws principles.

4.3 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

4.4 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed electronic mail if sent during normal business hours of the recipient; if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) three (3) days after deposit with an internationally recognized overnight courier, specifying next day delivery, with written

verification of receipt. All communications shall be sent to the respective parties at the addresses set forth on the signature pages attached to the Series C Purchase Agreement (or at such other addresses as shall be specified by notice given in accordance with this Section 4.4).

4.5 Expenses. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

4.6 Entire Agreement. This Agreement (including the exhibits hereto, if any), the Series C Purchase Agreement and the documents delivered pursuant thereto constitute the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof.

4.7 Amendment. Any modification, amendment, or waiver of this Agreement or any provision hereof, either retroactively or prospectively, shall be in writing and executed by the Company and the Holders of two-thirds of the Registrable Securities, which shall be binding upon all of the parties hereto; provided, however, that no such modification, amendment or waiver shall (a) reduce the aforesaid percentage of Registrable Securities without the consent of the record or beneficial Holders of no less than two-thirds of the Registrable Securities or (b) disproportionately and adversely affect any Holder in relation to other Holders without the consent of such Holder. Any modification, amendment or waiver effected in accordance with this Section 4.7 shall be binding upon each Holder, its successor and assigns and the Company. Notwithstanding the foregoing, the rights of first offer established by Section 3.1 may be amended, or any provision waived, with the written consent of the Company and the Major Investors holding a majority of the Registrable Securities held or deemed held by all Major Investors; provided, however, that, notwithstanding any such waiver, in the event that a Major Investor actually purchases Shares in any transaction pursuant to Section 3.1, then each other Major Investor shall be permitted to participate in such transaction on a pro rata basis. Sections 3.2 and 3.4(k) may be amended, or any provision waived, only with the written consent of the Company and Longitude.

4.8 Severability. Any invalidity, illegality, or limitation of the enforceability of any one or more of the provisions of this Agreement, or any part thereof, shall in no way affect or impair the validity, legality, or enforceability of this Agreement with respect to any other term or provision. In case any provision of this Agreement shall be invalid, illegal, or unenforceable, it shall, to the extent practicable, be modified so as to make it valid, legal and enforceable and to retain as nearly as practicable the intent of the parties, and the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

4.9 Aggregation of Stock. All shares of Registrable Securities held or deemed held or acquired by Affiliated entities (including Affiliated venture capital funds) or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

4.10 Facsimile. An executed copy of this Agreement may be delivered by one or more parties hereto by facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or any other transmission method, and such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party hereto, all parties hereto agree to execute an original of this Agreement as well as any facsimile, telecopy or other reproduction hereof.

4.11 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power, or remedy accruing to any party, upon any breach, default or noncompliance by another party under this Agreement shall impair any such right, power, or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent, or approval of any kind or character on any party's part of any breach, default or noncompliance under the Agreement or any waiver on such party's part of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, by law, or otherwise afforded to any party, shall be cumulative and not alternative.

4.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

4.13 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of Series C Preferred after the date hereof pursuant to the Series C Purchase Agreement, any purchaser of such shares of Series C Preferred shall become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed an "Investor" for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an "Investor" hereunder.

4.14 Prior Agreement. Upon the execution hereof by the Company and the requisite Prior Investors, this Agreement shall amend, restate and supersede the Prior Agreement, such that the Prior Agreement shall be of no further force or effect.

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

AXONICS MODULATION TECHNOLOGIES, INC.

By: /s/ Raymond W. Cohen
Raymond W. Cohen, Chief Executive Officer

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

BIODISCOVERY 4 FPCI

By: EDRIP
Its: Manager

By: /s/ Raphael Wisniewski
Name: Raphael Wisniewski
Title: Partner

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

NEOMED INNOVATION V, L.P.

By:	/s/ Christina Kembery	/s/ Tamara Williams
Name:	Christina Kembery	Tamara Williams
Title:	Director	Director

ACTING BY ITS GENERAL PARTNER, NEOMED INNOVATION V LIMITED

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

NOBLE PRESTIGE HOLDINGS LIMITED

By: /s/ Noble Prestige Holdings Limited
Name:
Title:

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

CLOUD AND ZAC HOLDINGS, LTD.

By: /s/ Kuang Zhong
Name: Kuang Zhong
Title: Director

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

ABG-AXONICS, LIMITED

By: /s/ Yeh Shanju
Name: Yeh Shanju
Title: Director

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

Alfred E. Mann Foundation for Scientific Research

By: /s/ John Petrovich
John Petrovich, Chief Executive Officer

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

THE TRUST OF STUART AND VICKI KARTEN

By: /s/ Stuart Karten

Name: Stuart Karten

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

/s/ Timothy Deer, M.D.
Timothy Deer, M.D.

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

/s/ Guangqiang Jiang, Ph.D.
Guangqiang Jiang, Ph.D.

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

ABG MANAGEMENT LTD.

By: /s/ YU Fan
Name: YU Fan
Title: Director

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

ADVENT LIFE SCIENCES LLP

By: /s/ Kaasim Mahmood
Name: Kaasim Mahmood
Title: General Partner

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

ADVENT LIFE SCIENCES FUND II LLP

By: Advent Life Sciences LLP
Its: General Partner

By: /s/ Kaasim Mahmood
Name: Kaasim Mahmood
Title: General Partner

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

CORMORANT PRIVATE HEALTHCARE FUND I, LP

By: /s/ Bihua Chen
Name: Bihua Chen
Title: Managing Member of the GP

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

CORMORANT GLOBAL HEALTHCARE MASTER FUND, LP

By: /s/ Bihua Chen
Name: Bihua Chen
Title: Managing Member of the GP

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

CRMA SPV, L.P.

By: /s/ Bihua Chen
Name: Bihua Chen
Title: Managing Member of the Investment Manager

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

THE LEILA MITCHEL LAMBERT TRUST ESTABLISHED MAY 13, 2005

By: /s/ Leila Mitchel Lambert
Name: Leila Mitchel Lambert
Title: Trustee

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

THE RAYMOND W. COHEN REVOCABLE TRUST ESTABLISHED DECEMBER 30, 2015

By: /s/ Raymond W. Cohen
Name: Raymond W. Cohen
Title: Trustee

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

N5 INVESTMENT

By: /s/ Pal R. Jensen
Name: Pal R. Jensen
Title: CEO

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

COÖPERATIEVE GILDE HEALTHCARE IV U.A.

By: /s/ Marc Olivier Perret
Name: Marc Olivier Perret
Title: Managing Partner

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

SCHOEPFLIN INVESTMENT COMPANY

By: /s/ George Kokke
Name: George Kokke
Title: CIO, CICA, Inc., its GP

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

SECURITY PACIFIC FINANCE, LTD.

By: /s/ Sam Ozanne /s/ Ross Cameron
Name: Sam Ozanne Ross Cameron
Title: Authorised Signatories

For RBC Directorship Services (Guernsey) Limited Director

By: /s/ Sam Ozanne /s/ Ross Cameron
Name: Sam Ozanne Ross Cameron
Title: Authorised Signatories

For RBC Corporate Services (Guernsey) Limited Director

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

BEDROCK ASSET MANAGEMENT, INC. DEFINED BENEFIT PLAN

By: /s/ George Kokke
Name: George Kokke
Title: Trustee

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

LONGITUDE VENTURE PARTNERS III, L.P.
By: Longitude Capital Partners III, LLC, its General Partner

By: /s/ Juliet Tammenoms Bakker
Name: Juliet Tammenoms Bakker
Title: Managing Director

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR: Krypton Nominees Pty Ltd as Trustee for the Tashi Family Trust No.2

/s/ Roy Raphael Tashi

Roy Raphael Tashi—Director

This is a counterpart signature page to the Fourth Amended and Restated Investors' Rights Agreement to which Axonics Modulation Technologies, Inc., a Delaware corporation, and the Investors set forth below are parties:

INVESTOR:

PROVIDENT TRUST GROUP FBO GEORGE P. KOKKE IRA

By: /s/ Stephanie Sullivan
Name: Stephanie Sullivan
Title: Authorized Signer

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE PREFERRED STOCK

Company:	**AXONICS MODULATION TECHNOLOGIES, INC.**
Number of Shares:	**See Section 1.7**
Type/Series of Stock:	**Series C Preferred**
Warrant Price:	**$9.00 per share**
Issue Date:	**February 6, 2018**
Expiration Date:	**February 6, 2028** **See also Section 5.1(b).**
Credit Facility:	This Warrant to Purchase Preferred Stock ("**Warrant**") is issued in connection with that certain Loan and Security Agreement of even date herewith between Silicon Valley Bank and the Company (the "**Loan Agreement**").

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, SILICON VALLEY BANK (together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, "**Holder**") is entitled to purchase the number of fully paid and non-assessable shares (the "**Shares**") of Series C Preferred Stock (the "**Preferred Stock**") of Axonics Modulation Technologies, Inc., a Delaware corporation (the "**Company**") at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant. Reference is made to Section 5.4 of this Warrant whereby Silicon Valley Bank shall transfer this Warrant to its parent company, SVB Financial Group.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

X = Y(A-B)/A

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. If the Company's Preferred Stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a "**Trading Market**"), the fair market value of a Share shall be the closing price or last sale price of a share of Preferred Stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company's Preferred Stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, "**Acquisition**" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately

prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's) outstanding voting power immediately after such merger, consolidation or reorganization; or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power.

(b) Treatment of Warrant at Acquisition. In the event of an Acquisition in which the consideration to be received by the Company's stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a "**Cash/Public Acquisition**"), and the fair market value of one Share as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date immediately prior to such Cash/Public Acquisition, and Holder has not exercised this Warrant pursuant to Section 1.1 above as to all Shares, then this Warrant shall automatically be deemed to be Cashless Exercised pursuant to Section 1.2 above as to all Shares effective immediately prior to and contingent upon the consummation of a Cash/Public Acquisition. In connection with such Cashless Exercise, Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as the date thereof and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon exercise. In the event of a Cash/Public Acquisition where the fair market value of one Share as determined in accordance with Section 1.3 above would be less than the Warrant Price in effect immediately prior to such Cash/Public Acquisition, then this Warrant will expire immediately prior to the consummation of such Cash/Public Acquisition.

(c) Upon the closing of any Acquisition other than a Cash/Public Acquisition defined above, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(d) As used in this Warrant, "**Marketable Securities**" means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer's shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise or convert this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

(e) Number of Shares. As of the Issue Date, the Number of Shares subject to this Warrant shall be 16,667 Shares (the "**Initial Shares**"). If Borrower requests and Silicon

Valley Bank makes the Term B Loan (as defined in the Loan Agreement) pursuant to the Loan Agreement, the Number of Shares subject to this Warrant shall be automatically increased by an additional 8,333 Shares (the "**Term B Shares**"). In addition, if Borrower requests and Silicon Valley Bank makes the Term C Loan (as defined in the Loan Agreement) pursuant to the Loan Agreement, the Number of Shares subject to this Warrant shall be automatically increased by an additional 8,333 Shares (the "**Term C Shares**"). The total number of Shares shall equal the sum of (i) the Initial Shares plus, if applicable, (ii) the Term B Shares and/or plus (iii) the Term C Shares, provided, however, that the maximum Number of Shares subject to this Warrant (unless otherwise adjusted pursuant to Section 2 hereof) will not exceed 33,333 Shares. Any adjustments pursuant to this Section 1.7 shall be in addition to any adjustments pursuant to Section 2 below.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Preferred Stock payable in securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Preferred Stock by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Preferred Stock are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Preferred Stock are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations substitutions, replacements or other similar events.

2.3 Intentionally Omitted.

2.4 Intentionally Omitted.

2.5 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the price per share at which shares of Company's Series C Preferred Stock or options to purchase shares of Series C Preferred Stock were issued immediately prior to the Issue Date hereof.

(b) All Shares which may be issued upon the exercise of this Warrant, shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of securities as will be sufficient to permit the exercise in full of this Warrant.

(c) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Company's stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Preferred Stock;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect an underwritten initial public offering pursuant to an effective registration statement under the Act (the "**IPO**");

then, in connection with each such event, the Company shall give Holder:

(1) in the case of the matters referred to in (a) and (b) above, at least seven (7) Business Days prior written notice of the earlier to occur of the effective date thereof or the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Preferred Stock will be entitled thereto) or for determining rights to vote, if any,

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event and such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such event giving rise to the notice); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to request effectiveness of its registration statement in connection therewith.

Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the Shares to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 Market Stand-off Agreement. The Holder agrees that the Shares shall be subject to the provisions in Section 6(q) of the Fourth Amended and Restating Voting Agreement, dated June 30, 2017, by and among the Company and the stockholders party thereto.

4.7 No Voting Rights. Holder, as a Holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 Term and Automatic Conversion Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Pacific time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Legends. The Shares (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) shall be imprinted with a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN

WARRANT TO PURCHASE PREFERRED STOCK ISSUED BY THE ISSUER TO SILICON VALLEY BANK DATED FEBRUARY 6, 2018 MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issuable upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to SVB Financial Group (Silicon Valley Bank's parent company) or any other affiliate of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if there is no material question as to the availability of Rule 144 promulgated under the Act.

5.4 Transfer Procedure. After receipt by Silicon Valley Bank of the executed Warrant, Silicon Valley Bank will transfer all of this Warrant to its parent company, SVB Financial Group. By its acceptance of this Warrant, SVB Financial Group hereby makes to the Company each of the representations and warranties set forth in Section 4 hereof and agrees to be bound by all of the terms and conditions of this Warrant as if the original Holder hereof. Subject to the provisions of Section 5.3 and upon providing the Company with written notice, SVB Financial Group and any subsequent Holder may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the securities issuable directly or indirectly, upon conversion of the Shares, if any) to any transferee, provided, however, in connection with any such transfer, SVB Financial Group or any subsequent Holder will give the Company notice of the portion of the Warrant being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that any subsequent transferee other than SVB Financial Group shall agree in writing with the Company to be bound by all of the terms and conditions of this Warrant. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company's prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, or any shares or other securities issued upon any conversion of any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day

following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

SVB Financial Group
Attn: Treasury Department
3003 Tasman Drive, HC 215
Santa Clara, CA 95054
Telephone: (408) 654-7400
Facsimile: (408) 988-8317
Email address: derivatives@svb.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

AXONICS MODULATION TECHNOLOGIES, INC.
7575 Irvine Center Drive, Suite 200
Irvine, CA 92618
Attn: Chief Financial Officer

With a copy (which shall not constitute notice) to:

K&L Gates
Attn: Michael Hedge
1 Park Plaza, Twelfth Floor
Irvine, CA 92614
Telephone: (949) 623-3519
Facsimile: (949) 623-4454
Email: Michael.Hedge@klgates.com

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorney's Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. "**Business Day**" is any day that is not a Saturday, Sunday or a day on which Silicon Valley Bank is closed.

[Remainder of page left blank intentionally]
[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Series C Preferred Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

AXONICS MODULATION
TECHNOLOGIES, INC.

By: /s/ Dan L. Dearen

Name: Dan L. Dearen
(Print)

Title: COO and CFO

"HOLDER"

SILICON VALLEY BANK

By: /s/ R. Michael White

Name: R. Michael White
(Print)

Title: Managing Director

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right purchase _____ shares of the Series C Preferred Stock of AXONICS MODULATION TECHNOLOGIES, INC. (the "Company") in accordance with the attached Warrant To Purchase Series C Preferred Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

[ ] check in the amount of $ payable to order of the Company enclosed herewith

[ ] Wire transfer of immediately available funds to the Company's account

[ ] Cashless Exercise pursuant to Section 1.2 of the Warrant

[ ] Other [Describe]

2. Please issue a certificate or certificates representing the Shares in the name specified below:

_____
Holder's Name

_____

_____
(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Series C Preferred Stock as of the date hereof.

HOLDER:

_____

By: _____

Name: _____

Title: _____

(Date): _____

Exhibit 4.4

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE PREFERRED STOCK

Company:	**AXONICS MODULATION TECHNOLOGIES, INC.**
Number of Shares:	**See Section 1.7**
Type/Series of Stock:	**Series C Preferred**
Warrant Price:	**$9.00 per share**
Issue Date:	**February 6, 2018**
Expiration Date:	**February 6, 2028** **See also Section 5.1(b).**
Credit Facility:	This Warrant to Purchase Preferred Stock ("**Warrant**") is issued in connection with that certain Loan and Security Agreement of even date herewith between Silicon Valley Bank and the Company (the "**Loan Agreement**").

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, LIFE SCIENCE LOANS II, LLC (together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, "**Holder**") is entitled to purchase the number of fully paid and non-assessable shares (the "**Shares**") of Series C Preferred Stock (the "**Preferred Stock**") of Axonics Modulation Technologies, Inc., a Delaware corporation (the "**Company**") at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

X = Y(A-B)/A

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. If the Company's Preferred Stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a "**Trading Market**"), the fair market value of a Share shall be the closing price or last sale price of a share of Preferred Stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company's Preferred Stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, "**Acquisition**" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately

prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's) outstanding voting power immediately after such merger, consolidation or reorganization; or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power.

(b) Treatment of Warrant at Acquisition. In the event of an Acquisition in which the consideration to be received by the Company's stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a "**Cash/Public Acquisition**"), and the fair market value of one Share as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date immediately prior to such Cash/Public Acquisition, and Holder has not exercised this Warrant pursuant to Section 1.1 above as to all Shares, then this Warrant shall automatically be deemed to be Cashless Exercised pursuant to Section 1.2 above as to all Shares effective immediately prior to and contingent upon the consummation of a Cash/Public Acquisition. In connection with such Cashless Exercise, Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as the date thereof and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon exercise. In the event of a Cash/Public Acquisition where the fair market value of one Share as determined in accordance with Section 1.3 above would be less than the Warrant Price in effect immediately prior to such Cash/Public Acquisition, then this Warrant will expire immediately prior to the consummation of such Cash/Public Acquisition.

(c) Upon the closing of any Acquisition other than a Cash/Public Acquisition defined above, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(d) As used in this Warrant, "**Marketable Securities**" means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer's shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise or convert this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

1.7 Number of Shares. As of the Issue Date, the Number of Shares subject to this Warrant shall be 16,667 Shares (the "**Initial Shares**"). If Borrower requests and Silicon

Valley Bank makes the Term B Loan (as defined in the Loan Agreement) pursuant to the Loan Agreement, the Number of Shares subject to this Warrant shall be automatically increased by an additional 8,333 Shares (the "**Term B Shares**"). In addition, if Borrower requests and Silicon Valley Bank makes the Term C Loan (as defined in the Loan Agreement) pursuant to the Loan Agreement, the Number of Shares subject to this Warrant shall be automatically increased by an additional 8,333 Shares (the "**Term C Shares**"). The total number of Shares shall equal the sum of (i) the Initial Shares *plus*, if applicable, (ii) the Term B Shares and/or plus (iii) the Term C Shares, provided, however, that the maximum Number of Shares subject to this Warrant (unless otherwise adjusted pursuant to Section 2 hereof) will not exceed 33,333 Shares. Any adjustments pursuant to this Section 1.7 shall be in addition to any adjustments pursuant to Section 2 below.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Preferred Stock payable in securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Preferred Stock by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Preferred Stock are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Preferred Stock are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations substitutions, replacements or other similar events.

2.3 Intentionally Omitted.

2.4 Intentionally Omitted.

2.5 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the price per share at which shares of Company's Series C Preferred Stock or options to purchase shares of Series C Preferred Stock were issued immediately prior to the Issue Date hereof.

(b) All Shares which may be issued upon the exercise of this Warrant, shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of securities as will be sufficient to permit the exercise in full of this Warrant.

(c) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Company's stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Preferred Stock;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect an underwritten initial public offering pursuant to an effective registration statement under the Act (the "IPO");

then, in connection with each such event, the Company shall give Holder:

(1) in the case of the matters referred to in (a) and (b) above, at least seven (7) Business Days prior written notice of the earlier to occur of the effective date thereof or the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Preferred Stock will be entitled thereto) or for determining rights to vote, if any,

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event and such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such event giving rise to the notice); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to request effectiveness of its registration statement in connection therewith.

Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the Shares to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities

and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 Market Stand-off Agreement. The Holder agrees that the Shares shall be subject to the provisions in Section 6(q) of the Fourth Amended and Restating Voting Agreement, dated June 30, 2017, by and among the Company and the stockholders party thereto.

4.7 No Voting Rights. Holder, as a Holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 Term and Automatic Conversion Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Pacific time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Legends. The Shares (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) shall be imprinted with a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN

WARRANT TO PURCHASE PREFERRED STOCK ISSUED BY THE ISSUER TO LIFE SCIENCE LOANS II, LLC DATED FEBRUARY 6, 2018 MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issuable upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to SVB Financial Group (Silicon Valley Bank's parent company) or any other affiliate of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if there is no material question as to the availability of Rule 144 promulgated under the Act.

5.4 Transfer Procedure. Subject to the provisions of Section 5.3 and upon providing the Company with written notice, Holder may transfer all or part of this Warrant or the Shares issued upon exercise of this Warrant to any transferee, provided, however, in connection with any such transfer, Holder will give the Company notice of the portion of the Warrant and/or Shares being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that any subsequent transferee shall agree in writing with the Company to be bound by all of the terms and conditions of this Warrant. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company's prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

Life Science Loan II, LLC
c/o Chief Financial Group Officer
3720 Carillon Point
Kirkland, Washington 98033-7455
Attention: Trent Dawson
Telephone: (425) 952-3951
Email address: tdawson@westrivermgmt.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

AXONICS MODULATION TECHNOLOGIES, INC.
7575 Irvine Center Drive, Suite 200
Irvine, CA 92618
Attn: Chief Financial Officer

With a copy (which shall not constitute notice) to:

K&L Gates
Attn: Michael Hedge
1 Park Plaza, Twelfth Floor
Irvine, CA 92614
Telephone: (949) 623-3519
Facsimile: (949) 623-4454
Email: Michael.Hedge@klgates.com

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorney's Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. "**Business Day**" is any day that is not a Saturday, Sunday or a day on which Silicon Valley Bank is closed.

[Remainder of page left blank intentionally]
[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Series C Preferred Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

AXONICS MODULATION
TECHNOLOGIES, INC.

By: /s/ Dan L. Dearen

Name: Dan L. Dearen
(Print)

Title: COO and CFO

"HOLDER"

LIFE SCIENCE LOANS II, LLC

By: Loan Manager II, LLC
Managing Member

By: /s/ Trent Dawson
Trent Dawson, Chief Financial Officer

[Signature Page to Warrant to Purchase Preferred Stock]

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right purchase _____ shares of the Series C Preferred Stock of AXONICS MODULATION TECHNOLOGIES, INC. (the "**Company**") in accordance with the attached Warrant To Purchase Series C Preferred Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

☐ check in the amount of $_____ payable to order of the Company enclosed herewith

☐ Wire transfer of immediately available funds to the Company's account

☐ Cashless Exercise pursuant to Section 1.2 of the Warrant

☐ Other [Describe] _____

2. Please issue a certificate or certificates representing the Shares in the name specified below:

_____
Holder's Name

_____

_____
(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Series C Preferred Stock as of the date hereof.

HOLDER

_____

By: _____

Name: _____

Title: _____

(Date): _____

LICENSE AGREEMENT

This License Agreement (this "Agreement"), dated as of October 1, 2013 (the "Effective Date"), is made by and between the Alfred E. Mann Foundation for Scientific Research ("AMF"), a not-for-profit corporation organized and existing under the laws of the State of California, and Axonics Modulation Technologies, Inc., a Delaware corporation ("Licensee"). AMF and Licensee are sometimes hereinafter referred to each as a "Party" and collectively as the "Parties."

RECITALS

A. AMF has been engaged in the development of Epione (as defined below), and owns and otherwise controls certain Patent rights, copyrights and trade secrets with respect thereto.

B. Licensee desires to acquire rights to develop and commercialize Epione.

C. The Parties hereby desire to enter into this agreement pursuant to which AMF will grant certain licenses to Licensee under the AMF IP for Licensee to develop and commercialize Licensed Products in the Field in the Territory, all as set forth below. AMF and an Affiliate of Licensee, intend to enter into a similar agreement for countries outside the Territory.

NOW, THEREFORE, the Parties hereby agree as follows:

Section 1. Definitions.

1.1 "Additional Field" means a field that is added to the scope of this Agreement in accordance with Section 4.3.

1.2 "Affiliate" of an entity or person means any other entity or person which (directly or indirectly) is controlled by, controls or is under common control with such first entity or person; provided that (i) Alfred E. Mann the individual will not be an Affiliate of either Party hereunder and (ii) no entity controlled by Alfred E. Mann will be treated as an Affiliate of a Party hereunder if such entity is not otherwise an Affiliate of such Party. For purposes of this definition, the term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to an entity means (i) in the case of a corporate entity, direct or indirect ownership of voting securities entitled to cast more than fifty percent (50%) of the votes in the election of directors or (ii) in the case of a non-corporate entity, direct or indirect ownership of more than fifty percent (50%) of the equity interests with the power to direct the management and policies of such entity, provided that if local law restricts foreign ownership, control will be established by direct or indirect ownership of the maximum ownership percentage that may, under such local law, be owned by foreign interests.

1.3 "AMF IP" means all AMF Know How and AMF Patents, including, subject to Section 6.1, that which may arise from the performance of Engineering Services pursuant to Section 4.2 below. Attached as Schedule A hereto is a list of Patents that are within AMF IP as of the Effective Date. The Parties will update Schedule A by mutual agreement at the reasonable request of either Party.

1.4 "AMF Know How" means all Know How for implantable devices and Externals related to the treatment of human tissue by the application of electrical energy and reasonably necessary or useful to develop or commercialize Licensed Products that is Controlled by AMF or its Affiliates during the Term that is reasonably necessary or useful for the manufacture, use, sale, offer for sale, importation, research, development or commercialization of Licensed Products in the Field, but excluding any such Know How that is not Controlled by AMF or its Affiliates before the end of the Initial Term.

1.5 “AMF Patents” means all Patents for implantable devices and Externals related to the treatment of human tissue by the application of electrical energy and reasonably necessary or useful to develop or commercialize Licensed Products that are Controlled by AMF or its Affiliates during the Term that are reasonably necessary or useful for the manufacture, use, sale, offer for sale, importation, research, development or commercialization of Licensed Products in the Field, but excluding any such Patents that are not Controlled by AMF or its Affiliates before the end of the Initial Term, except for any Patents claiming priority to, and fully supported and enabled by, Patents filed before the end of the Initial Term.

1.6 “Change of Control” means change in ownership or control of Licensee effected through (i) the acquisition, directly or indirectly, by any Third Party or related group of Third Parties, of beneficial ownership of securities possessing more than fifty percent (50%) of the total combined voting power of Licensee’s outstanding securities, or (ii) a merger or consolidation in which securities possessing more than fifty percent (50%) of the total combined voting power of Licensee’s outstanding securities are transferred or issued to a Person or Persons different from the Persons holding those securities immediately prior to such transaction; or (iii) the sale, transfer or other disposition of all or substantially all of Licensee’s assets to a Third Party or related group of Third Parties.

1.7 “Confidential Information” means all information that is disclosed or provided by or on behalf of a Party to the other Party (including information from Affiliates and Third Parties), regardless of whether such information is marked “confidential” or “proprietary” or communicated to the other by the disclosing Party in oral, written, graphic or electronic form.

1.8 “Commercially Reasonable Efforts” means, with respect to the development and commercialization of Licensed Products by Licensee, efforts and resources commonly used in the medical device industry, for a product of similar commercial potential at a similar stage in its lifecycle, taking into consideration its safety and efficacy, its cost to develop, the competitiveness of alternative products, its proprietary position, the likelihood of regulatory approval and suitable reimbursement, its profitability, and all other relevant factors, without regard to the particular circumstances of Licensee, including any other product opportunities of Licensee.

1.9 “Control” or “Controlled” means with respect to any IP or item, the possession (whether by ownership or license, other than by a license granted pursuant to this Agreement) by aParty of the ability to grant to the other Party access, ownership, a license or a sublicense as provided herein, to such IP or item, without (i) violating the terms of any agreement or other arrangement with any other person or entity in existence as of the time such Party would first be required hereunder to grant the other Party such access, ownership, license or sublicense, or (ii) being obligated to pay any monies or other consideration therefor, unless such monies or other consideration is paid by such other Party.

1.10 “Engineering Services” shall have the meaning given to such term in Section 4.2(a) below.

1.11 "Epione" means the Epione implantable pulse generator, leads, external pulse generator, charging system and related system components and software in development at AMF as of the Effective Date, and any and all improvements to that system made by Licensee or Controlledby AMF during the term of this Agreement, provided that "Epione" excludes any implantable pulse generator (a) with an axial dimension equal to or less than [***] ([***]) millimeters, and lateral dimension of equal to or less than [***] ([***]) millimeters measured in a direction that is transverse to the direction of the axial dimension, or (b) having a volume equal to or less than [***] ([***]) cubic centimeters.

1.12 "Externals" means any peripheral or auxiliary device that can be used in connection with, or operate in concert with, Epione, including the components that when assembled comprise such device, and including surgical procedure tools, protection apparatus, controllers, battery chargers, patient remote controller, programmer, software and electrodes.

1.13 "Ex-U.S. License Agreement" means that License Agreement intended to be entered into between AMF and an Affiliate of relating to the AMF IP for use outside the Territory

1.14 "Field" means (i) the Initial Field, and (ii) any Additional Field added to this Agreement pursuant to Section 4.3, excluding in each case any product or methods that involves the placement of electrodes or the administration of electrical stimulation inside the cranial cavity or to the ocular nervous system or the auditory nervous system.

1.15 "GAAP" means United States generally accepted accounting principles, consistently applied.

1.16 "Gross Revenues" means the gross amount billed or invoiced, or if no such bill or invoice is issued, the amount received, whichever is greatest, by Licensee and its sublicensees for or on account of the sale, lease, license, sub-license or other revenue generation activity from (i) Licensed Products and (ii) any process, method or service the use or performance of which, in whole or in part absent the license granted hereunder would infringe, or is covered by, one or more claims of AMF Patents, or employs, is based upon or is derived from AMF Know How. Gross Revenue shall be determined in accordance with Licensee's, or the relevant sublicensee's standard accounting methods, provided that Licensed Products will be considered "sold" when a sale by Licensee or its Affiliate or a sublicensee is recognized in accordance with revenue recognition policies mandated by GAAP. For the avoidance of doubt, Third Party distributors shall not be deemed sublicensees, and Gross Revenues shall accrue on the last transfer of a Licensed Product from Licensee, its Affiliates or sublicensees to a distributor, unless such distributor (i) is granted any right to make or have made Licensed Products in accordance with Section 2.2, or (ii) has agreed to pay to Licensee, its Affiliates or sublicensees royalties on such distributor's sales of Licensed Products, in which case such Distributor shall be a sublicensee for all purposes of this Agreement.

In the event any Licensed Product is sold as a part of, or in conjunction with, other products that are not Licensed Products (together, a "Combination"), the Gross Revenues of such Licensed Product shall be calculated by multiplying the gross amount invoiced for such Combination by the fraction A/(A+B), where "A" is the gross amount invoiced for such Licensed Product sold separately and "8" is the gross amount invoiced for such other products sold separately.

In the event that such other products are not sold separately (but such Licensed Product is), the Gross Revenue for such Licensed Product shall be calculated by multiplying the gross amount

In the event that such Licensed Product is not sold separately, the portion of the revenues for such Combination that is attributable to Gross Revenue of the Licensed Product for purposes of royalty calculation shall be determined in good faith by the Parties based upon the reasonable fair market value of the Licensed Product and the other products included in the Combination, giving consideration to the prices charged for similar products and components in similar markets.

1.17 "Initial Field" means (i) the treatment of chronic pain in humans through the application of electrical energy to the nervous system; and (ii) the treatment of inflammatory conditions of the human body through the application of electrical energy to the vagus nerve.

1.18 "IP" means Patents, copyrights and Know How, but does not include trademarks.

1.19 "Know How" means technical data, processes, techniques, drawings and designs, invention disclosures, operating manuals, manufacturing procedures, software, trade secrets, plant and tool design, installation instructions, manufacturing quality control procedures, raw material specifications, regulatory approvals, filings and correspondence and sources of supply.

1.20 "Licensed Product" means (i) Epione and (ii) all Externals sold or distributed solely for use with Epione.

1.21 "Licensee Licensed Product IP" means Patents and Know-How owned or otherwise Controlled by Licensee or its Affiliates at any time during the Term (other than pursuant to this Agreement) that directly relate to or cover Licensed Products or their manufacture or use, but excluding any Patents or Know-How (i) Controlled by a successor to Licensee's assets or business prior to a Change or Control other than by virtue of transfer (directly or indirectly) by Licensee or its Affiliates or sublicensees, or (ii) that are created or developed without the use of or reference to AMF's Confidential Information.

1.22 "Minimum Royalties" means royalties of (i) in the calendar year beginning on January 1, 2018, seventy five thousand dollars ($75,000.00), and (ii) for each subsequent calendar year, an amount equal to twenty five thousand dollars ($25,000.00) more than the previous calendar year, up to a maximum amount of two hundred thousand dollars ($200,000.00).

1.23 "Net Revenue" means Gross Revenues less the following deductions actually incurred, allowed or paid: (i) cash or product discounts, (ii) refunds, allowances and replacements on account of items previously sold, (iii) contract, bid or other rebates and credits granted or allowed which effectively reduce the selling price or gross sales of the Licensed Product, (iv) freight, postage, insurance and other shipping charges paid in connection with a Licensed Product or related services, and (v) sales and use taxes, excise taxes, customs, duties, and other governmental taxes or charges (except taxes or charges based on income), including any value added taxes incurred in connection with the sale of a Licensed Product or related services, all as determined from the books and records of the selling party, maintained in accordance with GAAP (or if applicable, equivalent international accounting standards).

1.24 "Non-Specific IP" means any AMF Patents or AMF Know How that are necessary or useful for the manufacture, development and commercialization of products other than Licensed Products.

1.25 “Non-Specific Patents” means any Patents included within the Non-Specific IP.

1.26 “Open Source Software” means any software that is derived in any manner (in whole or in part) from any software that is distributed under the following conditions: (i) licensees of such software are authorized to access, modify and make derivative works of the source code for the software; (ii) licensees of source code of such software are not obligated to maintain the confidentiality of such source code; or (iii) at least some licensees of such software are required, if they desire to distribute derivative works of such software, to license the source code for such derivative works to their sublicensees under the conditions of (i), (ii) or (iii) hereof.

1.27 “Patent” means a patent or a patent application, including any additions, divisions, continuations, continuations-in-part, invention certificates, substitutions, reissues, reexaminations, extensions, registrations, supplementary protection certificates and renewals, including all U.S. and foreign counterparts thereof, but not including any rights that give rise to regulatory exclusivity periods (other than supplementary protection certificates, which will be treated as “Patents” hereunder).

1.28 “Person” means any natural person or any corporation, partnership, limited liability company, business association, joint venture or other entity.

1.29 “Pre-Existing Restrictions” in regards to a field proposed by Licensee to be an Additional Field as set forth in Section 4.3, means AMF or any of its Affiliates has already granted a license, or an option for a license, or otherwise transferred rights, to a Third Party under any AMF IP that permits such Third Party to develop or commercialize products or services in such proposed field, at the time of AMF’s receipt of Licensee’s notice of a proposed Additional Field.

1.30 “Specific Patents” means all Patents that are within the scope of the AMF IP, but excluding any Non-Specific Patents.

1.31 “Territory” means the United States and its possessions.

1.32 “Third Party” means any Person or entity other than Licensee or AMF or any of their Affiliates.

1.34 “Valid Claim” means (i) a claim of an issued and unexpired Patent contained within the AMF Patents, which claim has not been revoked or held invalid or unenforceable by a court or other government agency of competent jurisdiction from which no appeal can be or has been taken and has not been held or admitted to be invalid or unenforceable through re-examination, disclaimer, reissue, opposition procedure, nullity suit or otherwise, or (ii) a claim of a pending Patent application that has not been finally abandoned or finally rejected or expired and which has been pending for no more than seven (7) years from the date of filing of the earliest priority Patent application to which such pending Patent application is entitled to claim benefit, and in each case ((i) and (ii)) which claim covers a Licensed Product or its manufacture, sale or use.

Section 2. License Grants.

2.1 Licenses by AMF.

(a) Subject to the terms and conditions of this Agreement, AMF hereby grants to Licensee, and Licensee hereby accepts, a non-transferable (except in accordance with Section 10.1), royalty-bearing, license, with the right to sublicense in accordance with Section 2.2(a) only, under the AMF IP, to make, have made, lease, offer to lease, use, sell, offer for sale, market, promote, advertise, import, research, develop and commercialize Licensed Products in the Field only, in the Territory; provided that with respect to Externals, the foregoing license shall only apply to the extent that such Externals are used in connection with the foregoing licensed activities involving Licensed Products other than Externals. The foregoing license grant includes the right to make reference to all regulatory approvals, filings and correspondence contained within the AMF Know How.

(b) The license grant set forth in Section 2.1(a): (i) shall be co-exclusive (with AMF) with respect to AMF IP resulting from AMF's performance of Engineering Services, and (ii) subject to Sections 2.1(c) and 5.2(e), shall otherwise be exclusive.

(c) Notwithstanding Sections 2.1(a) and 2.1(b), AMF retains the right, on behalf of itself and other not-for-profit research organizations, to practice the AMF IP within the scope of the exclusive license granted above, for non-commercial research, educational and scholarly purposes. Licensee and its Affiliates and sublicensees shall not practice any AMF IP outside of the scope of the licenses granted hereunder. For clarity, the license grant set forth in Section 2.1(a) does not include any rights under the AMF IP with respect to Externals other than to the extent manufactured and sold expressly and solely for use with Epione.

2.2 Sublicensing.

(a) The license grants in Section 2.1(a) include the right to grant sublicenses (through multiple tiers) to Affiliates and Third Parties by written, executed agreements only, subject to the other terms and conditions of this Agreement. In no event will any sublicenses be of greater scope than the licenses or sublicenses granted hereunder, and all sublicensees will be subject to the restrictions, limitations and obligations to which Licensee is subject hereunder. Licensee will be solely responsible for the compliance of its sublicensees with the terms of this Agreement. Licensee will provide AMF with a complete copy of any agreement granting any such sublicense within thirty (30) days of execution. Prior to a Change of Control, such copy shall be un-redacted, following a Change of Control, Licensee may redact confidential items not necessary for AMF to verify compliance with this Agreement. For clarity, references to "sublicensees" of Licensee hereunder will include both direct and indirect sublicensees.

(b) Any sublicenses granted by Licensee shall survive termination of the licenses granted in Section 2.1(a), or of this Agreement, provided that the following conditions are met as of the date of such termination: (i) the written agreement between Licensee and the sublicensee pursuant to which the sublicense was granted (A) obligates the sublicensee to thereafter render to AMF all royalties that would have been payable to AMF by Licensee as a result of the activities of such sublicensee, (B) names AMF as a third party beneficiary to the extent set forth herein upon such termination, and (C) affirms that AMF shall not be responsible for Licensee's surviving obligations to sublicensee, unless AMF (at its discretion) elects to assume such obligations; and (ii) Licensee informs the sublicensee in writing (with a copy to AMF) that the sublicensee's obligations pursuant to clause (i) are in effect as a result of the termination. Further, all further sublicenses granted by a sublicensee of Licensee shall survive termination of the sublicense between Licensee and such sublicensee to the same extent as set forth in the immediately preceding sentence, as applied to such direct sublicensees instead of Licensee, *mutatis mutandis*, and so on through multiple tiers.

2.3 Licenses by Licensee. Licensee, for itself and on behalf of its Affiliates, hereby grants to AMF a royalty-free, fully paid-up, worldwide, sub licensable, perpetual, irrevocable (except as set forth in Section 9.8(e)), exclusive license under all Improvement Patents (as defined below) to develop, make, have made, use, offer for sale, sell, import, and commercialize products and services outside of the scope of the exclusive license granted to Licensee pursuant to Sections 2.1(a) and 2.1(b). For clarity, the foregoing license excludes uses within the scope of the exclusive license granted to Licensee pursuant to Sections 2.1(a) and 2.1(b), in the Field. For the purposes of this Agreement, "Improvement Patent" means any Patent rights Controlled by Licensee or its Affiliates that arise out of or claim or cover Licensee's or its Affiliates' or sublicensees' improvements to the inventions claimed in the AMF IP.

Section 3. Transfer of Know How; Research Supplies; Meetings; Rights of Reference.

3.1 Documentation. During the thirty (30) day period following the Effective Date, AMF shall provide to Licensee one (1) electronic copy of all documents, data or other information in AMF's possession as of the Effective Date to the extent that such documents, data and information describe or contain AMF Know How, including without limitation, source code for all software included within AMF Know How. AMF shall provide and transfer to Licensee in the same manner all additional AMF Know How that may from time to time become available to AMF (and in any event at least semi-annually). For clarity, AMF will not be required to prepare any new documentation with respect to AMF Know How, and further, following the initial deliveries, that all out-of-pocket fees, costs and expenses of copying and delivering such documentation will be borne solely by Licensee. AMF shall provide Licensee access to AMF employees and consultants for the rendering of Engineering Services pursuant to Section 4.2 below.

3.2 Meetings. Until the first commercial sale of a Licensed Product, appropriate representatives of the Parties shall meet semi-annually, in person or by audio or video teleconference. Such representatives shall confer regarding the status of the research and development activities hereunder, review additional AMF Know-How, review relevant data, consider and advise on any technical issues that arise, consider issues of priority, and review and advise on any other relevant matters relating to the research and development of Licensed Products hereunder. Each Party shall be responsible for all of its own expenses of participating in such committee meetings.

3.3 Research Supplies. Licensee will supply AMF with a reasonable number of Licensed Products for research and development at Licensee's fully-burdened cost of goods sold ("COGS") provided that such supply does not unreasonably interfere with Licensee's development and commercial activities. Notwithstanding the foregoing, for so long as AMF is rendering Engineering Services pursuant to Section 4.2 below, AMF will have the right to manufacture a reasonable number of units per year for AMF's research and development purposes, provided that such manufacture does not unreasonably interfere with AMF's supply obligations to Licensee.

3.4 Right of Reference. AMF shall provide, upon Licensee's request from time to time, appropriate documentation to permit Licensee to reference all regulatory approvals, filings and correspondence containing the AMF Know How solely for the purpose of seeking regulatory approval or clearance for Licensed Products.

Section 4. Development and Commercialization.

4.1 Diligence. Licensee shall use Commercially Reasonable Efforts to develop and commercialize a Licensed Product in the Field.

4.2 Engineering Services.

(a) From time to time during the Term hereof, upon Axonics' reasonable request and at Axonics' cost and expense, AMF will provide Axonics certain research, development and engineering services for Licensed Products and provide reasonable assistance to Axonics' personnel with respect to the understanding and use of the AMF Know How (the "Engineering Services"), subject to the availability of personnel based on existing workloads, and prior commitments to AMF or others. AMF will participate in periodic meetings at Axonics' reasonable request to review the progress of the Engineering Services, quality of deliverables, and general status of the Engineering Services. AMF may subcontract the performance of certain of its obligations under this Agreement to qualified third party service providers, provided that such service providers perform those Engineering Services in a manner consistent with the terms and conditions of this Agreement. The personnel assigned by AMF to perform the Engineering Services will be qualified to perform the assigned duties and available to perform the tasks assigned them in a timely manner. AMF will designate in writing a project manager to act as AMF's authorized representative in connection with the Engineering Services.

(b) Axonics will pay AMF for all Engineering Services performed by AMF's personnel at the rate set forth on Schedule B attached hereto for the personnel listed. If Axonics uses AMF personnel not listed on Schedule B, Axonics will pay AMF for such personnel at the hourly rate paid by AMF plus [***] ([***]). Additionally, Axonics will pay for any equipment used and/or processes included in the Engineering Services at the rates set forth in Schedule B, attached hereto. If equipment used or processes completed are not set forth on Schedule B, the Parties will negotiate a reasonable rate based on the acknowledgement set forth in the next sentence. The Parties acknowledge that in all cases the fees payable by Axonics in connection with the Engineering Services shall be fair market value, but in no event less than AMF's fully burdened costs. Axonics will reimburse AMF for out-of-pocket costs incurred for materials and/or Engineering Services required under and specified in the work plan agreed to by the Parties, plus a [***] ([***]) administrative fee. In addition, Axonics will reimburse AMF for all reasonable out-of-pocket expenses associated with travel and lodging incurred by AMF's service providers on behalf of Axonics if any such travel is undertaken at Axonics' written request and receipts for those expenses are submitted with the invoice for the period in which the travel occurred.

(c) AMF will submit monthly invoices to Axonics for all Engineering Services provided and expenses incurred during the previous month, and those invoices will include the number of hours of Engineering Services provided by each service provider during the prior month and such service provider's hourly rate. All payments will be made in full within [***] ([***]) days from the date of invoice. AMF acknowledges and agrees that it is AMF's responsibility to compensate AMF's personnel, and pay all related federal and state income tax withholding, social security taxes, and unemployment or disability insurance applicable to such personnel.

4.3 Additional Fields Licensable by Licensee.

(a) Licensee may notify AMF in writing of Licensee's desire to expand the scope of the Field to include one or more of the following proposed Additional Fields:

(i) Treatment of any condition other than inflammatory conditions (e.g., epilepsy, depression, hypertension) in humans through the application of electrical energy to the vagus nerve;

(ii) Treatment of inflammatory conditions in humans through the application of electrical energy elsewhere in or on the body other than the vagus nerve;

(iii) Modulation of digestive process and treatment of digestive conditions in humans (e.g., obesity, appetite suppression) through the application of electrical energy anywhere in or on the body; or

(iv) Treatment of urinary and fecal dysfunction in humans through the application of electrical energy anywhere in or on the body;

and AMF will notify Licensee in writing within thirty (30) days of receipt of Licensee's notice issued in accordance with the foregoing whether or not any proposed field is subject to any Pre-Existing Restrictions. AMF will include in such notice such information as is reasonably necessary for Licensee to verity the existence of such Pre-Existing Restriction, subject to any obligations of confidentiality that AMF may have to a Third Party.

(b) If AMF issues any notice pursuant to Section 4.3(a) stating that a proposed field is subject to a Pre-Existing Restriction, the Parties shall negotiate, in good faith to, if reasonably possible, include suitable limitations to the Additional Field so as Licensee's rights in the Additional Field may co-exist with such Pre-Existing Restriction. If (i) AMF does not issue any such notice within [***] ([***]) days of receipt of Licensee's notice provided pursuant to Section 4.3(a), or (ii) AMF notifies License that the proposed field is not subject to any Pre-Existing Restrictions, or (iii) the Parties agree on such suitable limitations within [***] ([***]) days following AMF's receipt such notice, the proposed Additional Field shall automatically be included under this Agreement, subject to payment by License to AMF of one million dollars ($1,000,000) within [***] ([***]) days of the satisfaction of the conditions set forth in subsections (i) or (ii) and, if applicable, (iii) above, and the royalty provisions of Section 5 shall apply, *however*, the royalty reduction provisions set forth by Section 5.2 shall not apply to any Additional Field licensed by AMF to Licensee.

(c) With respect to each Additional Field, if prior to the effective date of a Change of Control of Licensee, Licensee has expended at least [***] ([***]) in research and development activity pursuing such Additional Field for which it has exercised its rights under Section 4.3(a) (the "Additional Field Development Threshold"), such Additional Field shall be transferred to, or continued by, the successor or continuing entity without change.

(d) With respect to each Additional Field, if prior to the effective date of a Change of Control of Licensee, Licensee has not expended the Additional Field Development Threshold for such Additional Field license for which it has exercised rights under Section 4.3(a), then such Additional Field license shall lapse and rights to AMF IP in such Additional Field shall revert to AMF and such Additional Field shall no longer be included in the Field.

(e) Upon a Change in Control, Licensee's right to expand the Field by adding Additional Fields under this Section 4.3 shall terminate and the successor or continuing entity shall not have rights to license any further Additional Fields under the terms of this Agreement.

4.4 Licenses Available to AMF Subject to Royalty.

(a) Licensee may develop and own or otherwise Control intellectual property related to electrical stimulation of human tissue as further set forth by Section 6.1, which falls outside of AMF IP or Improvement Patents which are licensed to AMF under Section 2.3. AMF may notify Licensee of AMF's desire to license, for fields of use outside of the Field, such intellectual property owned or Controlled by Licensee. The Parties shall negotiate in good faith the scope of each such field of use desired to be licensed by AMF and the applicable license rights, provided that any such license shall be on terms materially consistent with the terms set forth in this Agreement, but reversing the roles of the Parties. For each such field of use licensed by Licensee to AMF, AMF shall pay Licensee [***], and upon payment AMF shall receive a co-exclusive (with Licensee), worldwide, transferrable license for the field of use agreed to by the Parties subject to the royalty provisions of Sections 4.4(b) and 4.4(c), *mutatis mutandis*. Licensee shall retain ownership and control prosecution and defense of claims of any such intellectual property licensed to AMF including any improvements made thereto whether made independently by a Party or jointly by the Parties, and for any such licenses granted to AMF, Sections 1.16, 1.23, 5.3, 6.3 to 6.5, 8.3 to 8.6, 9.1 to 9.5 shall be construed mutatis mutandis between the Parties.

(b) For each license under Section 4.4(a), AMF shall pay to Licensee [***] ([***]) of all Net Revenues if at least one of the following two (2) conditions apply:

(i) if one or more valid claims within any of the intellectual property licensed to AMF covers (A) a product or its manufacture, sale or use in the licensed field, or (B) the manufacture of such product in the country of manufacture; or

(ii) for twelve (12) years from the first commercial sale of a product incorporating Licensee's intellectual property (and improvements thereto) in the licensed field.

(c) Following a Change of Control of Licensee, the royalty rate set forth in Section 4.4(b) will be [***]. If Licensed Product is royalty-bearing only on account of Section 4.4(b)(ii), then the royalty rate set forth in Section 4.4(a) will be reduced by [***].

(d) Upon a Change in Control, AMF's rights to obtain new licenses under Section 4.4(a) shall terminate and existing licenses shall continue.

4.5 Sharing of Intellectual Property Information.

(a) In January and July of each year, the Parties shall meet to discuss the intellectual property that is licensed or subject to potential licensing hereunder, including pursuant to Section 2.3, 4.3 or 4.4.

(b) In preparation for each such meeting, or as otherwise reasonably requested by Licensee or AMF, as applicable, (i) AMF shall provide to Licensee a summary with respect to each potential Additional Field of(A) AMF's research and development, (B) AMF's intellectual property

position, and (C) Pre-Existing Restrictions, and (ii) Licensee shall provide AMF with a summary of intellectual property that is (I) licensed to AMF pursuant to Section 2.3 or (2) subject to AMF's option set forth in Section 4.4. AMF shall not be restricted from granting Third Parties licenses, or performing internal research and development work, in any of the possible Additional Fields prior to receiving notice from Licensee pursuant to Section 4.3(a) regarding its interest in expanding the Field to include such Additional Field, or if the conditions set forth in Section 4.3(b) are not satisfied in accordance with the applicable time frames. Any such disclosures by a Party to the other Party shall be treated as the disclosing Party's Confidential Information in accordance with Section 7.1 of this Agreement.

(c) In preparation for each such meeting, or as otherwise reasonably requested by AMF, Licensee shall provide to AMF, Licensee's filed patent applications and patents for the purposes set forth under Section 4.4 of this Agreement. Any such disclosures by Licensee to AMF shall be treated as Licensee's Confidential Information in accordance with Section 7.1 of this Agreement.

(d) Upon a Change in Control, this Section 4.5 shall terminate.

Section 5. Royalties.

5.1 Royalties and Other Payments.

(a) Subject to the terms and conditions of this Agreement (including the remainder of this Section 5.1), Licensee shall pay to AMF four percent (4%) of all Net Revenues.

(b) Royalties under Section 5.1 (a) shall be payable on a Licensed Product-by-Licensed Product, if at least one of the following two (2) conditions apply:

(i) if one or more Valid Claims within any of the AMF Patents covers (A) such Licensed Product or its manufacture, sale or use in the Territory, or (B) the manufacture of such Licensed Product in the country of manufacture; or

(ii) for twelve (12) years from the first commercial sale of such Licensed Product in the Territory.

Only one royalty shall be payable with respect to the sale of the Licensed Product under this Agreement and Ex-U.S. License Agreement, at the higher applicable rate. By way of example, if a Licensed Product is manufactured in the U.S. (in which there is a Valid Claim) and sold in a different country in which there is no Valid Claim, the royalty rate shall be four percent (4%). Subject to reduction as set forth below.

5.2 Royalty Reduction.

(a) If Licensed Product is royalty-bearing only on account of Section 5.1(b)(ii), then the royalty rate set forth in Section 5.2(a) will be reduced by [***] ([***]); and

(b) Following a Change of Control of Licensee, the royalty rate set forth in Section 5.2(a) will be, subject to Section 5.2(b)(i), [***] ([***]). For clarity, this reduction shall apply only once under this Agreement upon the first Change of Control, and shall be applicable to all then existing and future Licensed Products.

(c) In the event that during the Term, Licensee enters into an agreement with a Third Party pursuant to which Licensee is required to pay such Third Party royalties or other payments for a license under Patent rights that are reasonably necessary for the freedom to operate under the claims of any Patents within the AMF IP in connection with the manufacture, use or sale of Licensed Products in or for the Territory, then Licensee may deduct [***] ([***]) of such amounts from the royalties otherwise owed to AMF pursuant to this Section 5.2(c); provided such deductions shall not result in the effective royalty rate that would otherwise be payable by Licensee to AMF in any particular calendar quarter being reduced by more than [***] ([***]).

(d) In the event that the royalties payable under Section 5.2(a) are less than the Minimum Royalties for any calendar year beginning with 2018, AMF may, at its election, either (i) convert the exclusive licenses set forth in Section 2.1, or (ii) terminate this Agreement, in each case ((i) and (ii)) effective upon sixty (60) days prior written notice to Licensee, provided however, that Licensee shall have the option at any time prior to the end of such sixty (60) days to pay to AMF the shortfall between the Minimum Royalties for such calendar year and the actual royalties paid or payable under Section 5.2(a), in which event the exclusive licenses set forth in Section 2.1 shall continue and this Agreement shall not terminate. For the purposes of calculating Minimum Royalties, any amounts paid under this Agreement shall be creditable against amounts payable under the ex-U.S. License Agreement and any amounts paid under the ex-U.S. License Agreement shall be creditable against amounts payable under this Agreement.

(e) Only one royalty will be due under this Section 5.2 with respect to the sale of the same unit of Licensed Product. Only one royalty will be due under this Section 5.2 on the sale of a Licensed Product even if the manufacture, use, sale, offer for sale or importation of such Licensed Product infringes more than one claim of the AMF Patents.

(f) Licensee acknowledges that (i) certain of the AMF IP is secret and substantial and that without the AMF IP Licensee would not be able to develop Licensed Products, (ii) access to AMF IP may provide Licensee with a competitive advantage in the marketplace beyond the exclusivity afforded by the AMF Patents, and (iii) the royalties set forth in this Section 5.2 are, in part, intended to compensate AMF for such development and competitive advantage. The Parties agree that the royalty rates and period set forth in Section 5.2 reflect an efficient and reasonable blended allocation of the value provided by AMF to Licensee and was agreed to for the mutual convenience of the Parties.

5.3 Payment Terms.

(a) All payments to be made by Licensee pursuant to this Agreement will be made in United States dollars by wire transfer to such bank account as AMF may designate, and will be payable along with the applicable reports due under Section 5.2. All payments to AMF under this Agreement will be without deductions, withholdings or set-offs except as otherwise set forth herein, and will be non-refundable (subject to those allowances included in the definition of Net Revenues with respect to royalties payable hereunder).

(b) When Gross Revenues are paid in a currency other than United States dollars, the amount of royalties payable with respect thereto will first be determined in the foreign currency of the country in which the Gross Revenues are paid and will then be converted into equivalent United States dollars using the exchange rate reported in the Wall Street Journal for the last day of the calendar quarter for which the related royalties are payable. If Gross Revenues are paid in a form other than cash, the amount thereof will be equal to the fair market value of such securities or property as reasonably determined by Licensee and reasonably satisfactory to AMF.

(c) For as long as payments are due under Section 5.2, Licensee will furnish to AMF a written report within sixty (60) days after the end of each calendar quarter, showing the amount of Net Revenue of Licensed Products and royalties and payments with respect to Sublicense Income due for such calendar quarter. Such report will be due at the same time as the payments for such calendar quarter. The report will include, at a minimum, the following information for the applicable calendar quarter, each listed by product and by country of sale: (i) the number of units of Licensed Products sold or disposed of by Licensee and its sublicensees; (ii) gross amount received for such sales or dispositions; (iii) deductions taken from Net Revenue as specified in the definition thereof; (iv) Net Revenue; (v) the royalties owed to AMF, listed by category; (vii) other element of Gross Revenue received and amounts thereof on which royalties are payable to AMF hereunder, and (viii) the computations for any applicable currency conversions. Licensee will require that its sublicensees share with AMF the information listed in the preceding sentence as it relates to Net Revenue made by each such sublicensee, provided that such information shall be treated as confidential information by AMF, in a manner consistent with the treatment of Confidential Information under Section 7.1.

(d) Licensee shall keep, and shall cause each of its sublicensees to keep adequate books and records of accounting for the purpose of calculating all amounts payable to AMF hereunder. For the two (2) years next following the end of the calendar year to which each shall pertain, such books and records of accounting (including those of Licensee's sublicensees) shall be kept at each of their principal place of business and shall be open for inspection at reasonable times and upon reasonable notice by an independent certified accountant selected by AMF, and which is reasonably acceptable to Licensee, for the sole purpose of inspecting the royalties due to AMF under this Agreement. In no event shall such inspections be conducted hereunder more frequently than once every twelve (12) months. Such accountant must have executed and delivered to Licensee and its sublicensees, as applicable, a confidentiality agreement as reasonably requested by Licensee, which shall include provisions limiting such accountant's disclosure to AMF to only the results and basis for such results of such inspection. The results of such inspection, if any, shall be binding on both Parties. Any underpayments shall be paid by Licensee within thirty (30) days of notification of the results of such inspection. Any overpayments shall be fully creditable against amounts payable in subsequent payment periods. AMF shall pay for such inspections, except that in the event there is any upward adjustment in aggregate royalties payable for any calendar year shown by such inspection of more than [***] ([***])of the amount paid, Licensee shall reimburse AMF for any reasonable out-of-pocket costs of such accountant.

(e) Any payments by Licensee to AMF hereunder will not include any taxes or other governmental charges, including import or export duties, sales, use or privileges taxes, VAT, or excise or similar taxes, levied by any government, whether now or hereafter enacted (collectively, "Taxes"), provided however, if Licensee is required by law to make any deduction for Taxes, or withhold Taxes from any sum payable to AMF by Licensee hereunder, Licensee may do so, deposit such sum with the appropriate taxing authority and provided AMF with receipts certifying the payments of the Tax. No deduction shall be made or a reduced amount shall be deducted if AMF furnishes a document from all required tax authorities to Licensee sufficiently before the due date of the payments, certifying that the payments are exempt from tax or subject to a reduced tax rate according to the applicable convention for the avoidance of double taxation.

(f) In the event that, by reason of applicable law in any country, it becomes impossible or illegal for Licensee to transfer, or have transferred on its behalf, payments owed AMF hereunder, Licensee will promptly notify AMF of the conditions preventing such transfer and such payments will be deposited in local currency in the relevant country to the credit of AMF in a recognized banking institution designated by AMF or, if none is designated by AMF within a period of [***] ([***]) days, in a recognized banking institution selected by Licensee and identified in a written notice given to AMF.

(g) Licensee will pay AMF interest on any payments that are not paid on or before the date such payments are due under this Agreement at a rate of [***] or the maximum applicable legal rate, if less, calculated on the total number of days payment is delinquent.

Section 6. Intellectual Property

6.1 Ownership and Inventorship.

(a) Ownership, License. Except as expressly set forth herein, as between the Parties, (i) each Party shall own all right, title and interest in and to any and all intellectual property that it owns as of the Effective Date, and (ii) inventorship and ownership of any intellectual property arising in connection with this Agreement shall follow inventorship as determined under U.S law.

(b) Intellectual Property Created Prior to Qualified Financing. Any intellectual property first created, conceived or reduced to practice by Licensee or its Affiliates, whether solely or jointly with AMF or its Affiliates prior to Licensee's Qualified Financing that relates to the treatment of human tissue by the application of electrical energy and is reasonably necessary or useful to develop or commercialize Licensed Products, shall be AMF IP, owned and Controlled by AMF, and shall be automatically licensed to Licensee under this Agreement to the extent in the Field. For purposes hereof, a "Qualified Financing" shall mean the consummation by Licensee of a *bona fide* equity financing primarily for the purpose of raising working capital that results in gross proceeds to the Company of at least [***].

(c) Intellectual Property Created Following Qualified Financing. Any intellectual property that relates to the treatment of human tissue by the application of electrical energy, is reasonably necessary or useful to develop or commercialize Licensed Products, and is first created, conceived or reduced to practice after Licensee's Qualified Financing:

(i) solely by Licensee or its Affiliates shall be owned and Controlled by Licensee or its Affiliates and subject to license to AMF as applicable under Section 2.3 and Section 4.4.

(ii) solely by AMF or its Affiliates shall be owned by AMF or its Affiliates and, to the extent Controlled by AMF or its Affiliates, will be subject to license to Licensee as applicable under Section 2.1 and Section 4.3.

(iii) jointly by Licensee or its Affiliates and AMF or its Affiliates in the form of improvements, divisions, continuations, continuations-in-part, reissues, and reexaminations, including all U.S. and foreign counterparts thereof, related to a license granted by Licensee to AMF under Section 4.4 (if any) shall be owned and controlled by Licensee and shall be automatically licensed to AMF under this Agreement in accordance with Section 4.4.; and any other intellectual property conceived of jointly between by Licensee or its Affiliates and AMF or its Affiliates shall be AMF IP and shall be automatically licensed to Licensee under this Agreement under Section 2.1 and Section 4.3. Each Party, for itself and on behalf of its Affiliates, hereby assigns (and to the extent such assignment can only be made in the future hereby agrees to assign) to the other Party all Patents and Know-How set forth in this Section 6.1 as being owned by such other Party or its Affiliates as necessary to achieve ownership as provided in this Section 6.1.

6.2 Prosecution and Defense of Claims.

(a) Cooperation. The Parties shall fully cooperate with one another, as is reasonably necessary to achieve Licensee's purposes in the Field, regarding the prosecution and defense of claims for AMF Patents licensed to Licensee hereunder. For AMF Patents licensed to Licensee, responsibility for prosecution and defense of claims shall be as follows:

(i) AMF Patents Granted Prior to Effective Date. AMF shall be responsible for prosecution, defense and enforcement of claims for AMF Patents (I) issued prior to the Effective Date or (2) for which Licensee is not expressly granted the right hereunder to prosecute and maintain;

(ii) AMF Patents Pending in Schedule A. The Parties shall agree in writing as to which Party shall be responsible for prosecution, defense and enforcement of claims for the AMF Patents in Schedule A which are pending as of the Effective Date. Where Licensee is responsible for any such prosecution, defense and enforcement of claims, Sections 6.2, 6.3, 6.4 shall apply with the roles of the Parties reversed, *mutatis mutandis*;

(iii) Specific Patents Arising After Effective Date. Licensee shall be responsible for prosecution and defense of claims for Specific Patents arising under Section 6.1 after the Effective Date. Sections 6.2, 6.3, 6.4 shall apply with the roles of the Parties reversed, *mutatis mutandis*.

(b) Except as otherwise set forth herein, AMF, in its sole discretion, may prepare, file, prosecute, maintain and defend all AMF IP and any intellectual property that is jointly-owned by AMF and Licensee pursuant to Section 6.1. AMF shall keep Licensee reasonably informed of the status of any actual and prospective Patent filings for AMF Patents, shall provide Licensee with copies of any material (i) correspondence with the U.S. Patent and Trademark Office related to the filing, prosecution and maintenance of such Patent filings for AMF Patents, and shall consider in good faith and will not unreasonably fail to implement Licensee's reasonable comments with respect thereto. AMF shall promptly give notice to Licensee of the grant, lapse, revocation, surrender, invalidation or abandonment of any AMF Patent. Notwithstanding the foregoing, in the event that AMF elects not to prosecute or maintain any Specific Patent, AMF shall promptly notify Licensee of such determination, but in no case later than sixty (60) days prior to any required action relating to the filing, prosecution or maintenance of such Specific Patent. From and after the effective date of such notice, Licensee shall have the right, at its option, and its expense, to control the filing for, prosecution and maintenance of such Specific Patent in such country, and shall have the right to

transfer the responsibility for such filing, prosecution and maintenance of such Specific Patent to patent counsel selected by Licensee and reasonably acceptable to AMF. In such case, AMF shall assign all rights therein to Licensee and such Patent application or Patent shall cease to be an AMF Patent licensed hereunder, but will be subject to the unblocking license in Section 2.3.

(c) AMF shall keep Licensee informed of the status of any claims threatened or brought against the AMF Patents, shall provide Licensee with copies of any material correspondence and documents related thereto, and shall consider Licensee's reasonable comments with respect to the responses thereto. AMF shall promptly give notice to Licensee of its intent to abandon the defense of any such claims. Notwithstanding the foregoing, in the event that AMF elects not to defend any challenge to the validity or enforceability of any AMF Patent, and at the time of such election, rights under such AMF Patent have not been licensed to any Third Party, AMF shall promptly notify Licensee, but in no case later than thirty (30) days prior to any required action relating to such defense. From and after the effective date of such notice, Licensee shall have the right, at its option, and its expense, to control the defense of such proceeding.

6.3 Infringement Enforcement.

(a) AMF will protect the AMF Patents from infringement and prosecute infringers when, in its sole judgment, such action may be reasonably necessary, proper and justified. If Licensee gives AMF written evidence demonstrating to AMF's reasonable satisfaction prima facie infringement of a claim of infringement in the Field of a AMF Patent by a Third Party which poses a material threat to Licensee's rights under this Agreement, and at the time of such notice, AMF or its Affiliates have not granted any Third Party a license under such AMF Patent, AMF will either (i) if Licensee has provided AMF with reasonably sufficient information to file a complaint that AMF reasonably believes can survive a Rule II motion, within ninety (90) days or (ii) otherwise within one hundred eighty (180) days following receipt of such notice (the "AMF Enforcement Option Period"), either (A) bring suit against such Third Party infringer with respect to such AMF Patent or (B) grant sufficient enforcement rights relating thereto to Licensee for Licensee to enforce within such scope, as AMF may in its discretion elect; provided that AMF will, if Licensee requests, consult with Licensee and take Licensee's views into consideration.

(b) If AMF declines to bring suit within the AMF Enforcement Option Period (or fails to reasonably diligently pursue such suit thereafter) or otherwise permits Licensee to enforce any such AMF Patent, Licensee may so enforce and AMF shall cooperate in such action, including joining as a party if necessary to obtain or maintain standing to bring such suit. If Licensee fails to bring suit to address such infringement within one hundred eighty (180) days from the date it is first authorized to enforce (or ninety (90) days if Licensee has reasonably sufficient information to file a complaint that Licensee reasonably believes can survive a Rule II motion), or fails to reasonably diligently pursue such suit thereafter, Licensee's enforcement right with respect to such infringement will terminate and such right to enforce will revert to AMF.

(c) For purposes of the enforcement rights granted to Licensee in this Section 6.3 with respect to any such AMF Patent, the enforcement scope will amount to the scope of the exclusive license grant for such AMF Patents as set forth in Section 2.1.

(d) Any award paid by Third Parties as the result of such proceedings (whether by way of settlement or otherwise) shall first be applied to reimbursement of any legal fees and expenses incurred by either Party and then the remainder shall be divided between the Parties as follows: (i) Licensee shall receive an amount equal to its lost profits or a reasonable royalty on the infringing sales, or whichever measure of damages the court shall have applied; (ii) AMF shall receive an amount equal to the royalties and other amounts that Licensee would have paid to AMF if Licensee had sold the infringing products and services rather than the infringer; and the balance, if any, remaining after Licensee and AMF have been compensated under subsections (i) and (ii) shall be shall be shared equally by the Parties.

6.4 Infringement Defense. In the event either Party receives notice of any claim that the manufacture, use or sale of a Licensed Product infringes the rights of a third party because of the inclusion or use of AMF Know How (including such Know How which may be embodied in the AMF Patents), it shall give prompt notice to the other Party and shall discuss in good faith strategies for addressing the matter and cooperate with each other to terminate such infringement without litigation. After such discussion, Licensee shall have the right, but not the obligation, to defend, at its own expense, against any such claim alleged against Licensee. AMF shall join any such proceeding as a nominal party where necessary. AMF shall provide such assistance and cooperation to Licensee as may be necessary to defend any such action. Licensee shall have the right to settle such action; provided, however, that Licensee will not settle any action without AMF's prior written approval if such settlement makes any admissions on the part of AMF, obligates AMF to take or not take any action, including without limitation the payment of money or impairs AMF rights in the AMF IP.

6.5 Patent Marking. Licensee shall mark, and shall cause all of its sublicensees to mark, all Licensed Products, or their containers, in accordance with all applicable Patent-marking laws with respect to any AMF Patents.

Section 7. Confidential Information and Publicity.

7.1 Confidentiality.

(a) Except as expressly provided herein, each of the Parties agrees that a Party (the "Receiving Party") receiving Confidential Information of the other Party (the "Disclosing Party") will (i) not disclose such Confidential Information to its Affiliates or any Third Party without the prior written consent of the Disclosing Party in its sole discretion, except for disclosures expressly permitted below, and (ii) not use such Confidential Information for any purpose except those licensed or otherwise authorized or permitted by this Agreement. Confidential Information, and all copies of part or all thereof, will be and remain the exclusive property of the Disclosing Party, and the Receiving Party will acquire only such rights as are expressly set forth in this Agreement and only for as long as such rights are in effect. Each Party will be free to disclose its own Confidential Information as it sees fit, provided however, that Confidential Information comprising the AMF Know How which is exclusively licensed to Licensee shall not be disclosed by AMF without the consent of Licensee. Each Party will promptly report to the other any conduct relating to the other Party's Confidential Information inconsistent with the provisions of this Section 7, and take such action as may be reasonably necessary and legally permissible to terminate such conduct. Each Party agrees to reproduce and include the other Party's proprietary rights notices or reasonable equivalents on any item that contains the other Party's Confidential Information.

(b) The obligations in Section 7.1(a) will not apply with respect to any portion of the Confidential Information that the Receiving Party can show by competent proof:

(i) is publicly disclosed by the Disclosing Party, either before or after it is disclosed to the Receiving Party hereunder;

(ii) was known to the Receiving Party or any of its Affiliates, without any obligation to keep it confidential or any restriction on its use, prior to disclosure by the Disclosing Party;

(iii) is subsequently disclosed to the Receiving Party or any of its Affiliates by a Third Party lawfully in possession thereof and without any obligation to keep it confidential or any restriction on its use; or

(iv) is published by a Third Party or otherwise becomes publicly available or enters the public domain, either before or after it is disclosed to the Receiving Party.

Specific aspects or details of Confidential Information will not be deemed to be within the public domain or in the possession of the Receiving Party merely because the Confidential Information is embraced by more general information in the public domain or in the possession of the Receiving Party. Further, any combination of Confidential Information will not be considered in the public domain or in the possession of the Receiving Party merely because individual elements of such Confidential Information are in the public domain or in the possession of the Receiving Party unless the combination and its principles are in the public domain or in the possession of the Receiving Party.

(c) The Receiving Party may disclose Confidential Information belonging to the Disclosing Party to the extent (and only to the extent) such disclosure is reasonably necessary in the following instances:

(i) by either Party in order to comply with applicable non-Patent law (including any securities law or regulation or the rules of a securities exchange) and with judicial process, if in the reasonable opinion of the Receiving Party's counsel, such disclosure is necessary for such compliance;

(ii) by either Party, in connection with prosecuting or defending litigation, making regulatory filings, and filing, prosecuting, defending and enforcing Patents; and

(iii) by either Party, to its Affiliates, potential and future collaborators (including licensees and sublicensees), permitted acquirers or assignees under Section 10.2, research collaborators, subcontractors, financial advisors, investment bankers, investors, lenders, and their and each of such Party's and its Affiliates' respective directors, employees and consultants; provided that (1) with respect to Sections 7.1(c)(i) and 7.1(c)(ii), the Receiving Party will notify the Disclosing Party of the Receiving Party's intent to make any disclosure pursuant thereto sufficiently prior to making such disclosure so as to allow the Disclosing Party adequate time to take whatever action it may deem appropriate to protect the confidentiality of the information to be disclosed, and (2) with respect to Section 7.1(c)(iii), each of those named people and entities (other than investment bankers and lenders who must be bound prior to disclosure by customary confidentiality and non-use restrictions) will be bound by confidentiality obligations at least as restrictive as those contained in this Section 7.

7.2 Terms of this Agreement; Publicity. The Parties agree that the terms of this Agreement will be treated as Confidential Information of both Parties, and thus may be disclosed only as permitted by Section 7.1(c)(i).

7.3 Use of Name. Neither Party will mention or otherwise use the name or trademarks of the other Party (or any abbreviation or adaptation thereof) in any press release or other public communication without the prior written approval of such other Party in each instance, such approval not to be unreasonably withheld or delayed. The restrictions imposed by this Section 7.3 will not prohibit either Party from making any disclosure identifying the other Party in accordance with Section 7.1(c).

7.4 Press Releases. Press releases or other publicity by either Party relating to this Agreement will be subject to a right of reasonable prior review and approval by the other Party, which approval will not be unreasonably withheld or delayed; provided, however, that such right will not apply to communications required by law, disclosures of information for which consent has previously been obtained, or information that has been previously disclosed publicly; and provided, further, that any draft press release or other public communication submitted to a Party for its approval will be deemed approved if such Party fails to notify the submitting Party within four (4) days of receipt thereof as to whether or not it has been approved.

7.5 Termination. Upon termination of this Agreement for any reason, each Receiving Party will (i) return to the Disclosing Party all Confidential Information provided in writing by the Disclosing Party to the Receiving Party, and (ii) destroy copies of memoranda and notes prepared by or on behalf of the Receiving Party that contain Confidential Information of the Disclosing Party; provided, however, that the Receiving Party may retain copies of such Confidential Information in which such Party has a licensed interest that survives termination; and provided further that clauses (i) and (ii) of this Section 7.5 will not apply with respect to any Confidential Information contained in reports to a Party's board of directors or executive committees (or to the extent reference is made thereto in board minutes or similar documents). Notwithstanding the foregoing, the Receiving Party and its legal counsel may each retain a single copy of such Confidential Information and memoranda and notes to be used only in exercising the Receiving Party's rights and performing the Receiving Party's obligations under this Agreement, including in the case of a dispute concerning this Agreement, or as otherwise required under any applicable law, rule or regulation. The return of any Confidential Information will not relieve the Receiving Party of any of its obligations hereunder.

Section 8. Warranties; Limitations of Liability; Indemnification; Insurance.

8.1 AMF Representations and Warranties. AMF represents and warrants to Licensee that as of the Effective Date:

(a) AMF is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of state or jurisdiction in which it is incorporated, and it has full right and authority to enter into this Agreement and to grant the licenses and other rights to Licensee as herein described.

(b) When executed and delivered, this Agreement will have been duly authorized by all requisite corporate action, and will become a valid and binding contract of AMF enforceable against AMF in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other law affecting creditors' rights generally from time to time if effect, and to general principles of equity.

(c) The execution, delivery and performance of this Agreement does not conflict with any other agreement, contract, instrument or understanding, oral or written, to which AMF is a party, or by which it is bound, nor will it violate any law applicable to AMF.

(d) AMF Controls the Patents listed on Schedule A and the AMF Know-How, and is entitled to grant the licenses specified herein.

(e) (i) No other licenses or rights have been granted under AMF IP, and (ii) the AMF IP is free of any encumbrances, liens, licenses judgments and/or security interests, in each case ((i) and (ii)) that would conflict with the exercise by Licensee of its rights hereunder.

(f) To AMF's knowledge, all the issued Patents have been procured or are being procured from the respective patent offices in accordance with applicable law.

(g) There are no pending interference or opposition proceedings regarding the AMF Patents;

(h) To AMF's knowledge, there are no activities by a Third Party that constitute infringement of any of the AMF Patents or misappropriation of AMF Know How by commercial sale of a product in the Field in the Territory;

(i) To AMF's knowledge, the claims within the issued AMF Patents are valid.

(j) To AMF's knowledge, no rights of any Third Party will be infringed by the inclusion or use of the technology claimed in the AMF Patents or included in the AMF Know How in connection with Epione as it currently exists when used for the treatment of pain.

(k) To AMF' s knowledge, the software included in the AMF Know How does not contain Open Source Software that would obligate AMF to disclose, make available, offer or deliver to any Third Party any portion of the source code included in such AMF Know other than the applicable Open Source Software.

8.2 Licensee Representations and Warranties. Licensee represents and warrants to AMF that as of the Effective Date:

(a) Licensee is a corporation duly organized, validly existing and in good standing under the laws of state in which it is incorporated, and it has full right and authority to enter into this Agreement and to accept the rights and licenses granted as herein described.

(b) When executed and delivered, this Agreement will have been duly authorized by all requisite corporate action, and will become a valid and binding contract of Licensee enforceable against Licensee in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally from time to time if effect, and to general principles of equity.

(c) The execution, delivery and performance of this Agreement does not conflict with any other agreement, contract, instrument or understanding, oral or written, to which Licensee is a party, or by which it is bound, nor will it violate any law applicable to Licensee.

8.3 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH HEREIN, NEITHER AMF NOR LICENSEE MAKES, AND EACH HEREBY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, WHETHER WRITTEN OR ORAL, OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, NONINFRINGEMENT, PERFORMANCE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE.

8.4 Limitation of Liability. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT OR OTHERWISE, NEITHER PARTY WILL BE LIABLE TO THE OTHER OR ANY OF THE OTHER PARTY'S AFFILIATES OR ANY THIRD PARTIES WITH RESPECT TO THE SUBJECT MA TIER OF THIS AGREEMENT FOR ANY INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES (WHETHER IN CONTRACT, WARRANTY, NEGLIGENCE, TORT, STRICT LIABILITY OR OTHERWISE), EVEN IF SUCH PARTY HAS BEEN INFORMED OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES; PROVIDED, HOWEVER, THAT THIS SECTION 8.4 WILL NOT APPLY TO BREACHES OF A PARTY'S CONFIDENTIALITY OBLIGATIONS, LICENSEE'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 8.5 OR LICENSEE'S PRACTICE OF THE AMF IP OUTSIDE OF THE SCOPE OF THE LICENSES GRANTED HEREUNDER OR BREACH BY AMF OF THE EXCLUSIVITY PROVISION OF THE LICENSES GRANTED HEREUNDER.

8.5 Indemnification.

(a) Licensee Indemnity. Licensee hereby agrees to indemnify and hold AMF and its Affiliates, and their respective employees, directors, consultants and agents, and their respective successors, heirs and assigns and representatives harmless from and against all claims, liability, threatened claims, damages, reasonable fees, reasonable costs and expenses (including those for attorneys, professionals and accountants), suits, proceedings, losses or judgments, whether for money or equitable relief, of any kind, including death, personal injury, illness, product liability or property damage or the failure to comply with applicable law, arising from any non-Affiliated Third Party claim due to (i) a breach of this Agreement by Licensee or its sublicensees, (ii) the use, manufacture, sale, development or commercialization of any Licensed Products by or on behalf of Licensee or any of its sublicensees, or (iii) gross negligence or willful misconduct of Licensee or its Affiliates.

(b) AMF Indemnity. AMF hereby agrees to indemnify and hold Licensees and its Affiliates, and their respective employees, directors, consultants and agents, and their respective successors, heirs and assigns and representatives harmless from and against all claims, liability, threatened claims, damages, reasonable fees, reasonable costs and expenses (including those for attorneys, professionals and accountants), suits, proceedings, losses or judgments, whether for money or equitable relief, of any kind, including death, personal injury, illness, product liability or property damage or the failure to comply with applicable law, arising from any non-Affiliated Third Party claim due to (i) a breach of this Agreement by AMF, or (ii) gross negligence or willful misconduct of AMF or its Affiliates.

(c) Indemnification Procedure. If any person or entity (each, an "Indemnitee") intends to claim indemnification under Section 8.5(a), the Indemnitee will promptly notify the party from whom indemnity is sought ("Indemnitor") in writing promptly upon becoming aware of any claim (it being understood and agreed, however, that the failure by an Indemnitee to give such notice will not relieve Indemnitor of its indemnification obligation under this Agreement (1) except and only to the extent that Indemnitor's defense is actually prejudiced as a result of such failure to give notice and (2) Indemnitor will have no obligation whatsoever to indemnify for any fees, costs or expenses incurred by any Indemnitee prior to such notification to Indemnitor. Indemnitor will have the right to assume and control the defense of such claim at its own expense with counsel selected by Indemnitor and reasonably acceptable to the Indemnitee; provided, however, that all Indemnitees in the aggregate will have the right to retain a single counsel reasonably acceptable to Indemnitor, with the reasonable fees, costs and expenses to be paid by Indemnitor, if representation of such Indemnitees by the counsel retained by Indemnitor would be inappropriate due to an actual or apparent conflict of interest between such Indemnitees and Indemnitor. If Indemnitor does not assume the defense of such claim as aforesaid, the Indemnitee may defend such claim but will have no obligation to do so. The Indemnitee will not settle or compromise any claim for indemnification without the prior written consent of Indemnitor, and Indemnitor will not settle or compromise any such claim in any manner which would have an adverse effect on the Indemnitee's interests, without the prior written consent of the Indemnitee, in each case which consent will not be unreasonably withheld or delayed. The Indemnitee will reasonably cooperate with Indemnitor at Indemnitor's expense and will make available to Indemnitor all pertinent information under the control of the Indemnitee, which information will be subject to Section 7.1.

8.6 Insurance. Licensee will procure and maintain insurance policies for the following coverages with respect to personal injury, bodily injury and property damage arising out of Licensee's performance under this Agreement: (a) during the term of this Agreement, comprehensive general liability, including broad form and contractual liability, in a minimum amount of [***] combined single limit per occurrence and in the aggregate; (b) prior to the commencement of clinical trials involving any Licensed Products, clinical trials coverage in a minimum amount of [***] combined single limit per occurrence and in the aggregate; and (c) prior to the first commercial sale of the first Licensed Product, product liability coverage, in a minimum amount of [***] combined single limit per occurrence and in the aggregate, with the coverage provided for in clauses (b) and (c) to remain in force during the term of this Agreement and for at least [***] years thereafter. The policies of insurance required by this Section 8.6 will be issued by an insurance carrier with an A.M. Best rating of "A" or better. Licensee will provide AMF with insurance certificates evidencing the required coverage within [***] days after the Effective Date and the commencement of each policy period and any renewal periods.

Section 9. Term, Termination and Survival.

9.1 Initial Term and Term.

(a) This Agreement will commence as of the Effective Date and, unless sooner terminated in accordance with the terms hereof or by mutual written agreement of the Parties, will continue for twenty (20) years ("Initial Term"), and then until all AMF Patents are no longer in force (along with the Initial Term, the "Term").

(b) Upon completion of the Initial Term, the license grant to the AMF IP in Section 2.1(a) will thereafter be fully paid-up and perpetual, provided that with respect to those AMF Patents that are in force after the end of the Initial Term, if the manufacture, use, sale, offer for sale or import

of any Licensed Product after the Initial Term would infringe any such Patent, but for such license grant, then Licensee may elect with respect to each such Patent either to (i) cease, and to cause its sublicensees to cease, manufacture, use, sale, offer for sale or import of such Licensed Product in any country in which such Patent is in force, and such Patent will no longer be treated as part of "AMF IP" hereunder, or (ii) pay AMF royalties pursuant to Section 5.2 with respect to such Licensed Product while such Patent remains in force in such country, and such Patent will continue to be part of AMF IP hereunder.

9.2 Termination for Material Breach. Each Party may terminate this Agreement if the other Party commits a material breach of any obligation of this Agreement, and if such other Party fails to cure such material breach within ninety (90) days following receipt of written notice of material breach from such Party, other than for any force majeure pursuant to Section 10.10, unless such material breach although curable but cannot reasonably be cured within such 90 days but such other Party undertakes commercially reasonable efforts to cure such material breach during such 90 days and thereafter diligently seeks to cure such material breach.

9.3 Termination for IP Challenge by Licensee. AMF may terminate this Agreement upon notice to Licensee in the event that Licensee or any of its subsidiaries challenges, or causes, supports, encourages or otherwise assists any other person or entity in challenging in any way, in a legal or administrative proceeding the patentability, enforceability or validity of any of the AMF Patents; provided however, such termination right will not apply to any defense or claim by Licensee that it is not infringing any AMF Patents, and further provided that such termination right will not apply to any actions taken by Licensee, or information provided by Licensee, to the extent required by judicial process provided that Licensee complies with clause (I) of Section 7.1(c). Licensee will have its sublicensees agree to such a covenant to not challenge any such AMF Patents.

9.4 Termination for Insolvency. AMF may terminate this Agreement to the extent permitted by law, upon the filing or institution of bankruptcy, reorganization, liquidation or receivership proceedings with respect to Licensee, or upon an assignment of a substantial portion of Licensee's assets for the benefit of its creditors; provided, however, that, in the case of any involuntary bankruptcy proceeding, such right to terminate will only become effective if Licensee consents to the involuntary bankruptcy or such proceeding is not dismissed within ninety (90) days after the filing thereof. AMF will retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code and foreign equivalents, including that upon commencement of a bankruptcy proceeding by or against Licensee under the U.S. Bankruptcy Code or foreign equivalents, AMF will be entitled to complete duplicates of or complete access to, as AMF deems appropriate, any IP and all embodiments thereof licensed or to be transferred to AMF hereunder by Licensee (including pursuant to Section 9.7(b)). Such IP and embodiments will be promptly delivered to AMF (i) upon any such commencement of a bankruptcy proceeding and upon written request thereof by AMF, unless Licensee elects to continue to perform all of its obligations under this Agreement, or (ii) if not delivered under the foregoing clause (i), upon the rejection of this Agreement by or on behalf of Licensee upon written request therefore by AMF. This Section 9.4 is without prejudice to any rights AMF may have arising under the U.S. Bankruptcy Code, foreign equivalents or other law.

9.5 Termination for Convenience by Licensee. Licensee may terminate this Agreement in full for any reason effective upon sixty (60) days prior written notice to AMF.

9.6 Ex-U.S. License Agreement. This Agreement shall automatically terminate upon any termination of the Ex-U.S. License Agreement.

9.7 Termination or Continuation of Section 4.4 Licenses to AMF. In the event Licensee has the right to terminate this Agreement pursuant to Sections 9.2 or 9.4, Licensee may terminate the licenses granted to AMF under Section 4.4, without terminating the Agreement as a whole. In the event that AMF terminates this Agreement under Section 9.2, 9.3 or 9.4, it may elect to continue the licenses granted under Section 4.4, subject to continued payment and compliance with the conditions of such licenses.

9.8 Effect of Certain Termination; Survival.

(a) Upon termination of this Agreement for any reason, (i) the license grants by AMF to Licensee in Section 2.1(a) will terminate, and, subject to Section 2.2(b), Licensee and its sublicensees will no longer use or practice any of the AMF IP and other IP licensed by AMF to Licensee hereunder, and (ii) all rights of Licensee under Section 6.3 will terminate and any enforcement rights of Licensee thereunder will revert to AMF.

(b) To the extent permitted by applicable law, if this Agreement is terminated by AMF pursuant to Sections 9.2, 9.3, 9.4 or 9.6, or by Licensee pursuant to Section 9.5, all regulatory approvals and other regulatory filings and communications owned (in whole or in part) or otherwise Controlled by Licensee and its Affiliates and sublicensees solely relating to the Licensed Product in the Field, and all other documents solely relating to and necessary to further develop and commercialize Licensed Product in the Field, as such items exist as of the effective date of such termination will be assigned to AMF, and Licensee will provide to AMF one (1) copy of the foregoing and all documents contained in or referenced in any such items, together with the raw and summarized data for any clinical studies (and where reasonably available, electronic copies thereof). In the event of failure to obtain assignment, Licensee hereby consents and grants to AMF the right to access and reference (without any further action required on the part of Licensee, whose authorization to file this consent with any regulatory authority is hereby granted) any such item.

(c) If this Agreement is terminated by AMF pursuant to Sections 9.2, 9.3, 9.4 or 9.6, or by Licensee pursuant to Section 9.5, Licensee and its Affiliates will grant to AMF and its Affiliates (i) a worldwide, perpetual and irrevocable, nontransferable (except in connection with a permitted assignment of this Agreement in accordance with Section 10.1), non-exclusive license, with the right to grant sublicenses through multiple tiers (subject to Section 2.2, *mutatis mutandis*), under the Licensee Licensed Product IP owned by Licensee or its Affiliates, and (ii) a sublicense to the Licensee Licensed Product IP that is licensed by a Third Party to, and Controlled by, Licensee or its Affiliates, in each case ((i) and (ii)) to the extent such Licensee Licensed Product IP is used in or covers the Licensed Product as of the effective date of termination and to the extent such Licensee Licensed Product IP exists as of the effective date of such termination (including in each case any additions, divisions, continuations, continuations-in-part, invention certificates, substitutions, reissues, reexaminations, extensions, registrations, supplementary protection certificates and renewals of such Licensee Licensed Product IP) solely to the extent necessary or useful to research, develop, manufacture and commercialize the Licensed Product. With respect to grants of a sublicense, AMF will be responsible for all royalties payable to the applicable licensor that are attributable to AMF's sales of Licensed Product and Licensee will pay same and AMF will reimburse Licensee for [***] [(***)] of such payments.

(d) To the extent permitted by applicable law, if this Agreement is terminated by AMF pursuant to Sections 9.2, 9.3, 9.4 or 9.6, or by Licensee pursuant to Section 9.5, Licensee will assign to AMF any registered or unregistered trademarks or internet domain names that are specifically used for Licensed Product worldwide (it being understood that the foregoing will not include any trademarks or internet domain names that contain the corporate or business name(s) of Licensee).

(e) If this Agreement is terminated by Licensee pursuant to Sections 9.2 or 9.4, the licenses granted in Section 2.3 shall terminate, unless AMF agrees to pay to Licensee commercially reasonable compensation for such licenses (such compensation to either be mutually agreed to or determined through arbitration as provided in Section 10.6 below).

(f) In addition to the termination consequences set forth above in this Section 9.7, the following provisions will survive termination of this Agreement for any reason or expiration of this Agreement, as well as any other provision which by its terms is expressly intended to survive any such termination or expiration: Sections 2.2, 5.2 (but only until the next payment and report are delivered Licensee after any such termination or expiration), Sections 5.3, 6.1, 6.2, and Sections 1, 7, 8, 9 and 10 (other than Section 10.1); all other Sections of this Agreement will terminate upon any such termination or expiration. Any such termination or expiration will not relieve the Parties of any liability or obligation that accrued hereunder prior to the effective date of such expiration or termination.

Section 10. General Provisions.

10.1 Assignment. Neither Party may assign this Agreement, delegate its obligations or otherwise transfer licenses or other rights created by this Agreement, without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided that each Party may assign this Agreement as a whole without such consent to an Affiliate or in connection with the acquisition (whether by merger, consolidation, sale or otherwise) of such Party or of that part of such Party's business to which this Agreement relates, provided that such Party provides written notice to the other Party of such assignment and the assignee thereof agrees in writing to be bound as such Party hereunder. Any assignment or transfer in violation of this Section 10.1 shall be void. This Agreement shall inure to the benefit of, and be binding upon, the legal representatives, successors and permitted assigns of the Parties.

10.2 Severability. If any one or more of the provisions contained in this Agreement is held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affects the substantive rights of the Parties. The Parties will in such an instance use their reasonable best efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practical, implement the purposes of this Agreement.

10.3 Amendment; Waiver. This Agreement may not be modified, amended or rescinded, in whole or part, except by a written instrument signed by the Parties; provided that any unilateral undertaking or waiver made by one Party in favor of the other will be enforceable if undertaken in a writing signed by the Party to be charged with the undertaking or waiver. No delay or omission by either Party hereto in exercising any right or power occurring upon any noncompliance or default by the other Party with respect to any of the terms of this Agreement will impair any such right or power

or be construed to be a waiver thereof. A waiver by either of the Parties of any of the covenants, conditions or agreements to be performed by the other will not be construed to be a waiver of any succeeding breach thereof or of any other covenant, condition or agreement herein contained. AMF and any representative of AMF on the Board of Licensee, or in a management role of Licensee will abstain from all decisions regarding any amendment or waiver of this Agreement.

10.4 Implied Rights. All licenses and other rights are or will be granted only as expressly provided in this Agreement, and no other license or other right is or will be created or granted hereunder by implication, estoppel or otherwise. There are no implied licenses hereunder.

10.5 Notices. Except as otherwise provided herein, all notices under this Agreement will be sent by certified mail or by overnight courier service, postage prepaid, to the following addresses of the respective Parties:

If to Licensee, to:	Axonics Modulation Technologies, Inc. 16411 Scientific Way Suite 200 Irvine, CA 92618
With a required copy to:	Stradling Yocca Carlson & Rauth 660 Newport Center Drive, Suite 1600 Newport Beach, CA 92660 Attention: Shivbir S. Grewal
If to AMF, to:	Alfred E. Mann Foundation for Scientific Research 25134 Rye Canyon Loop, Suite 200 Santa Clarita, CA 91355
With a required copy to:	Goodwin Procter LLP 39 State Street Boston, MA 02109 Attention: Kinglsley L. Taft, Esq.

or to such address as each Party may hereafter designate by notice to the other Party. A notice will be deemed to have been given on the date it is received by all required recipients for the noticed Party.

10.6 Dispute Resolution.

(a) Disputes arising under or in connection with this Agreement will be resolved pursuant to this Section 10.6; provided, however, that in the event a dispute cannot be resolved without an adjudication of the rights or obligations of a Third Party (other than any Indemnitees identified in Section 8.5(a)), the dispute procedure set forth in Section 10.6(c) will be inapplicable as to such dispute. Upon an assignment by Licensee (as defined in Section 10.1), Section 10.6(c) will terminate, so that either Party may, subject to the remainder of this Section 10.6, file suit in any court or other forum.

(b) In the event of a dispute between the Parties, the Parties will first attempt in good faith to resolve such dispute by negotiation and consultation between themselves. In the event that such dispute is not resolved on an informal basis within twenty (20) days, any Party may, by written notice to the other, have such dispute referred to each of the Parties' respective CEOs or his or her designee (who will be a senior executive), who will attempt in good faith to resolve such dispute by negotiation and consultation for a thirty (30) day period following receipt of such written notice.

(c) In the event the Parties' CEOs (or designees) are not able to resolve such dispute during such 30-day period, either Party may at any time after such 20-day period submit such dispute to be finally settled by arbitration administered in accordance with the rules of Judicial Administration and Arbitration Services ("JAMS") in effect at the time of submission, as modified by this Section 10.6. The arbitration will be heard and determined by three (3) arbitrators who are retired judges. Licensee and AMF will each appoint one arbitrator and the third arbitrator will be selected by the two Party-appointed arbitrators, or, failing agreement within thirty (30) days following the date of receipt by the respondent of the claim, by JAMS. Such arbitration will take place in Los Angeles, CA, and the Parties expressly incorporate the terms of CA Code of Civil Procedure Section 1283 and 1283.05 pertaining to pre-hearing discovery. The arbitration award so given will be a final and binding determination of the dispute, will be fully enforceable in any court of competent jurisdiction, and will not include any damages expressly prohibited by Section 8.4. Fees, costs and expenses of arbitration are to be divided by the Parties in the following manner: Licensee will pay for the arbitrator it chooses, AMF will pay for the arbitrator it chooses, and the Parties will share payment for the third arbitrator. Except in a proceeding to enforce the results of the arbitration or as otherwise required by law, neither Party nor any arbitrator may disclose the existence, content or results of any arbitration hereunder without the prior written agreement of both Parties.

(d) Notwithstanding the dispute resolution procedures set forth in this Section 10.6, either Party may file suit in any court or other forum to preserve the status quo until any arbitration initiated pursuant to Section 10.6(c) is concluded.

(e) The Parties agree that all applicable statutes of limitation and time-based defenses (such as estoppel and laches) will be tolled while the dispute resolution procedures set forth in this Section 10.6 are pending, and the Parties will cooperate in taking all actions reasonably necessary to achieve such a result.

(f) The prevailing Party in any arbitration under Section 10.6(c) or any other suit related to this Agreement will be entitled to recover from the losing Party all out-of-pocket fees, costs and expenses (including those of attorneys, professionals and accountants and all those arising from appeals and investigations) incurred by the prevailing Party in connection with such arbitration or suit.

10.7 Irreparable Harm. Each Party acknowledges and agrees that breach of any of the terms of this Agreement would cause irreparable harm and damage to the other and that such damage may not be ascertainable in money damages and that as a result thereof the non-breaching Party would be entitled to seek from a court equitable or injunctive relief restraining any breach or future violation of the terms contained herein by the breaching Party without the necessity of proving actual damages or posting bond. Such right to equitable relief is in addition to whatever remedies either Party may be entitled to as a matter of law or equity, including money damages.

10.8 Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the state of California, without regard to its conflicts of law provisions.

Confidential treatment has been requested for portions of this exhibit under 17 C.F.R. Sections §§ 200.80(b)(4) and 230.406. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

10.9 Relationship of the Parties. Each Party is an independent contractor under this Agreement. Nothing contained herein is intended or is to be construed so as to constitute AMF and Licensee as partners, agents or joint venturers. Neither Party will have any express or implied right or authority to assume or create any obligations on behalf of or in the name of the other Party or to bind the other Party to any contract, agreement or undertaking with any other person or entity. There are no express or implied third party beneficiaries hereunder (except for Indemnitees for purposes of Section 8.5).

10.10 Force Majeure. Neither Party will be deemed to have breached this Agreement for failure or delay in performing any of its obligation under this Agreement (other than any obligation to pay monies when due) if, but only to the extent that, such failure or delay results from causes beyond the reasonable control of the affected Party, potentially including fire, floods, embargoes, terrorism, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, acts of God or acts, omissions or delays in acting by any governmental authority or any other person or entity; provided that the Party affected will promptly notify the other of any such force majeure and will exert commercially reasonable efforts to cure any such causes and to resume performance of its obligations as soon as possible.

10.11 Entire Agreement. This Agreement (along with the Schedules) contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes and replaces any and all previous arrangements and understandings, whether oral or written, between the Parties with respect to the subject matter hereof, except that accrued rights and obligations of the Parties pursuant to such arrangements and understandings will survive.

10.12 Headings. The captions to the several Sections hereof are not a part of this Agreement, but are merely guides or labels to assist in locating and reading the several Sections hereof.

10.13 Waiver of Rule of Construction. Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement will be construed against the drafting party will not apply.

10.14 Interpretation. Whenever any provision of this Agreement uses the term “including” (or “includes”), such term will be deemed to mean “including without limitation” (or “includes without limitations”). “Herein,” “hereby,” “hereunder,” “hereof’ and other equivalent words refer to this Agreement as an entirety and not solely to the particular portion of this Agreement in which any such word is used. References to “or” will mean “and/or”, and to “licenses” or “license grants” will include sublicenses and sublicense grants as appropriate (and vice-versa). All definitions set forth herein will be deemed applicable whether the words defined are used herein in the singular or the plural. Unless otherwise provided, all references to Sections and Schedules in this Agreement are to Sections and Schedules of this Agreement. References to any Sections include Sections and subsections that are part of the related Section (e.g., a section numbered “Section 2.1” would be part of “Section 2”).

10.15 Counterparts; Facsimiles. This Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. Facsimile execution and delivery of this Agreement by either Party will constitute a legal, valid and binding execution and delivery of this Agreement by such Party.

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IN WITNESS WHEREOF, the Parties hereto have caused this License Agreement to be executed by their respective duly authorized officers as of the Effective Date.

ALFRED E. MANN FOUNDATION FOR SCIENTIFIC RESEARCH

By: /s/ David Hankin
Name: David Hankin
Title: CEO
Date: September 30, 2013

AXONICS MODULATION TECHNOLOGIES, INC.

By: /s/ Raymond W. Cohen
Name: Raymond W. Cohen
Title: CEO
Date: October 1, 2013

Confidential treatment has been requested for portions of this exhibit under 17 C.F.R. Sections §§ 200.80(b)(4) and 230.406. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

SCHEDULE A
AMF Patents as of the Effective Date

[***]	[***]	[***]	[***]
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SCHEDULE B

Engineering Services Fees

[***]	[***]	[***]	[***]	[***]
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Set up charges and material supplied by AMF will be shown on the quote/each job	TBD based on job complexity, min 1 hr rate.			

Title	Signature	Date
Manufacturing Engineering Manager		
VP of Research & Development		
Director of QA & Regulatory		
Program Manager		
COO		
CFO		
Engineering Services Coordinator		

Confidential treatment has been requested for portions of this exhibit under 17 C.F.R. Sections §§ 200.80(b)(4) and 230.406. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

AMENDMENT TO LICENSE AGREEMENT

This AMENDMENT TO LICENSE AGREEMENT ("Amendment") is entered into as of February 19, 2014 (the "Amendment Effective Date"), by and between Alfred E. Mann Foundation for Scientific Research ("AMF") and Axonics Modulation Technologies, Inc., a Delaware corporation ("Licensee").

RECITALS

WHEREAS, AMF and License are parties to that certain License Agreement, dated as of October 1, 2013 (the "License Agreement"), pursuant to which AMF granted Licensee certain rights to develop and commercialize Epione;

WHEREAS, immediately following the execution of this Amendment, Licensee wishes to enter into that certain Series A Stock Purchase Agreement (the "Stock Purchase Agreement"), pursuant to which Licensee will issue and sell up to 1,625,000 shares of Series A Preferred Stock Purchase Agreement, $0.0001 par value per share ("Series A Preferred Stock") to certain investors set forth on the Stock Purchase Agreement (the "Series A Financing");

WHEREAS, as a condition to the Series A Financing, the investors have requested that Licensee and AMP amend the License Agreement to extend the Territory to the entire world and include an Additional Field within the scope of the licenses granted therein; and

WHEREAS, AMP and Licensee wish to amend the License Agreement to, among other things, revise the Territory and include an Additional Field within the scope of the Field, subject to the terms and conditions of this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree to this Amendment as follows:

1. **Defined Terms.** The capitalized terms used but not defined herein have the respective meanings ascribed to them in the License Agreement.

2. **Amendment of Schedule A.** Schedule A of the Agreement shall be amended and replaced in its entirety with Schedule A attached as Exhibit A to this Amendment.

3. **Amendment of Section 1.11**. The definition of the term "Epione" in Section 1.11 of the Agreement shall be amended and restated as follows:

> "1.11 "Epione" means the Epione implantable pulse generator, leads, external pulse generator, charging system and related system components and software in development at AMF as of the Effective Date, and any and all improvements to that system made by Licensee or Controlled by AMP during the term of this Agreement, provided that "Epione" excludes any implantable pulse generator (a) with an axial dimension equal to or less than [***] ([***]) millimeters, and a major or largest lateral dimension of equal to or less than [***] ([***]) millimeters measured in any direction that is transverse to the direction of the axial dimension, or (b) having a volume equal to or less than [***] ([***]) cubic centimeters."

Confidential treatment has been requested for portions of this exhibit under 17 C.F.R. Sections §§ 200.80(b)(4) and 230.406. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

4. Inclusion of Additional Field.

4.1 Additional Field. The term "Field" shall include the Additional Field described in Section 4.3(a)(iv) of *"treatment of urinary and focal dysfunction in humans through the application of electrical energy anywhere in or on our body."*

4.2 Consideration. As consideration for the inclusion of an Additional Field within the scope of the License Agreement, in lieu of the payment of $1,000,000 to AMF as set forth in Section 4.3 of the License Agreement, Licensee shall issue and grant to AMF 50,000 shares of Series A Preferred Stock, $0.0001 par value per share for an aggregate value of $1,000,000 pursuant to the terms and conditions set forth in the Stock Purchase Agreement.

5. **Revision of Territory.**

5.1 Amendment of Section 1.13. The definition of the term "Ex-U.S. License Agreement" shall be deleted in its entirety and replaced by the word "Omitted."

5.2 Amendment of Section 1.31. The definition of the term "Territory" shall be amended as restated as follows:

> "1.31 "Territory" means the entire world."

5.3 Amendment of Section 5.1. The words "and Ex U.S. License Agreement shall be deleted from Section 5.1.

5.4 Amendment of Section 5.2(d). The last sentence of Section 5.2(d) of the License Agreement shall be deleted in its entirety and Section 5.2(d) shall read as:

> "(d) In the event that the royalties payable under Section 5.2(a) are less than the Minimum Royalties for any calendar year beginning with 2018, AMF may, at its election, either (i) convert the exclusive licenses set forth in Section 2.1, or (ii) terminate this Agreement, in each case ((i) and (ii)) effective upon sixty (60) days prior written notice to Licensee, provided however, that Licensee shall have the option at any time prior to the end of such sixty (60) days to pay to AMF the shortfall between the Minimum Royalties for such calendar year and the actual royalties paid or payable under Section 5.2(a), in which event the exclusive licenses set forth in Section 2.1 shall continue and this Agreement shall not terminate."

5.5 Amendment of Section 9.6. Section 9.6 of the Agreement shall be deleted in its entirety and replaced by the word "Omitted."

6. Amendment of Section 4.2(b). Section 4.2(b) of the Agreement shall be amended and restated in its entirety as follows:

> "(b) Axonics will pay AMF for all Engineering Services performed by AMF's personnel at the hourly rate paid by AMF plus [***] ([***]). Additionally, Axonics will pay for any equipment used and/or processes included in the Engineering Services at the rates set forth in Schedule B, attached hereto. If

equipment used or processes completed are not set forth on Schedule B, the Parties will negotiate a reasonable rate based on the acknowledgement set forth in the next sentence. The Parties acknowledge that in all cases the fees payable by Axonics for equipment and/or processes used at AMF in connection with the Engineering Services shall be fair market value, but in no event less than AMF's fully burdened costs. Axonics will reimburse AMF for out-of-pocket costs incurred for materials and/or Engineering Services required under and specified in the work plan agreed to by the Parties, plus a [***] ([***]) administrative fee. In addition, Axonics will reimburse AMF for all reasonable out-of-pocket expenses associated with travel and lodging incurred by AMP's service providers on behalf of Axonics if any such travel is undertaken at Axonics' written request and receipts for those expenses are submitted with the invoice for the period in which the travel occurred."

7. **Amendment of Schedule B.** Schedule B of the Agreement shall be amended and restated in its entirety with Schedule B attached as Exhibit B to this Amendment.

8. **Continuing Effect.** All references to the "Agreement" in the License Agreement shall hereinafter refer to the Agreement as amended by this Amendment. Except as specifically amended by this Amendment, the License Agreement shall remain in full force and effect in accordance with its terms. Sections or other headings contained in this Amendment are for reference purposes only and shall not affect in any way the meaning or interpretation of this Amendment; and no provision of this Amendment shall be interpreted for or against any party because that party or its legal representative drafted the provision.

9. **Counterparts.** This Amendment may be executed in counterparts, each of which will be considered an original, but all of which together will constitute the same instrument.

[Signature Page Follows]

Confidential treatment has been requested for portions of this exhibit under 17 C.F.R. Sections §§ 200.80(b)(4) and 230.406. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first set forth above.

ALFRED E. MANN FOUNDATION FOR SCIENTIFIC RESEARCH

By: /s/ David Hankin

Name: David Hankin

Title: CEO

Date: February 19, 2014

AXONICS MODULATION TECHNOLOGIES, INC.

By: /s/ Raymond W. Cohen

Name: Raymond W. Cohen

Title: CEO

Date: February 19, 2014

Confidential treatment has been requested for portions of this exhibit under 17 C.F.R. Sections §§ 200.80(b)(4) and 230.406. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

EXHIBIT A

SCHEDULE A TO THE LICENSE AGREEMENT

[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
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Confidential treatment has been requested for portions of this exhibit under 17 C.F.R. Sections §§ 200.80(b)(4) and 230.406. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

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Confidential treatment has been requested for portions of this exhibit under 17 C.F.R. Sections §§ 200.80(b)(4) and 230.406. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

EXHIBIT B

SCHEDULE B TO THE LICENSE AGREEMENT

Engineering Services Fees

[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
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Confidential treatment has been requested for portions of this exhibit under 17 C.F.R. Sections §§ 200.80(b)(4) and 230.406. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

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Confidential treatment has been requested for portions of this exhibit under 17 C.F.R. Sections §§ 200.80(b)(4) and 230.406. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
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Set up charges and material supplied by AMF will be shown on the quote/each job	TBD based on job complexity, min 1 hr rate	

Confidential treatment has been requested for portions of this exhibit under 17 C.F.R. Sections §§ 200.80(b)(4) and 230.406. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

Exhibit 10.3

SECOND AMENDMENT TO LICENSE AGREEMENT

This AMENDMENT TO LICENSE AGREEMENT ("Amendment") is entered into as of February 25, 2014 (the "Amendment Effective Date"), by and between Alfred E. Mann Foundation for Scientific Research ("AMF") and Axonics Modulation Technologies, Inc., a Delaware corporation ("Licensee").

RECITALS

WHEREAS, AMF and License are parties to that certain License Agreement, dated as of October 1, 2013 and that certain Amendment dated February 18, 2014 (together the "License Agreement"), pursuant to which AMF granted Licensee certain rights to develop and commercialize Epione;

WHEREAS, the License Agreement is incorporated herein by reference; and

WHEREAS, as a condition to the Series A Financing, the investors have requested that Licensee and AMF further amend Schedule A of the License Agreement as set forth hereunder.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree to this Amendment as follows:

1. **Defined Terms.** The capitalized terms used but not defined herein have the respective meanings ascribed to them in the License Agreement

2. **Amendment of Schedule A.** Schedule A of the Agreement shall be amended and replaced in its entirety with Schedule A attached as Exhibit A to this Amendment.

3. **Continuing Effect.** All references to the "Agreement" in the License Agreement shall hereinafter refer to the Agreement as amended by this Amendment. Except as specifically amended by this Amendment, the License Agreement shall remain in full force and effect in accordance with its terms. Sections or other headings contained in this Amendment are for reference purposes only and shall not affect in any way the meaning or interpretation of this Amendment; and no provision of this Amendment shall be interpreted for or against any party because that party or its legal representative drafted the provision.

4. **Counterparts.** This Amendment may be executed in counterparts, each of which will be considered an original, but all of which together will constitute the same instrument.

[*Signature Page Follows*]

Confidential treatment has been requested for portions of this exhibit under 17 C.F.R. Sections §§ 200.80(b)(4) and 230.406. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first set forth above.

ALFRED E. MANN FOUNDATION FOR SCIENTIFIC RESEARCH

By: /s/ David Hankin

Name: David Hankin

Title: CEO

Date: February 25, 2014

AXONICS MODULATION TECHNOLOGIES, INC.

By: /s/ Michael Williamson

Name: Michael Williamson

Title: SVP/General Counsel

Date: February 25, 2014

Confidential treatment has been requested for portions of this exhibit under 17 C.F.R. Sections §§ 200.80(b)(4) and 230.406. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

EXHIBIT A

SCHEDULE A TO THE LICENSE AGREEMENT

[***]	[***]	[***]	[***]
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Confidential treatment has been requested for portions of this exhibit under 17 C.F.R. Sections §§ 200.80(b)(4) and 230.406. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

Exhibit 10.4

ALFRED E. MANN FOUNDATION FOR SCIENTIFIC RESEARCH
25 134 Rye Canyon Loop
Santa Clarita, CA 91355

October 1, 2013

Axonics Modulation Technologies, Inc.
16411 Scientific Way
Suite 200
Irvine, CA 92618

Dear Sirs:

Reference is made to that certain License Agreement of even date herewith between Axonics Modulation Technologies, Inc. and the undersigned. This will confirm that at your option the undersigned will expand the territories included under the license to be worldwide or, if you so direct, the undersigned will enter into a comparable license agreement covering areas outside the United States with an entity controlled by the founders of Axonics Modulation Technologies, Inc. In the latter case, such license would be based on economic and other terms, other than the territory covered, as is set forth in the License Agreement.

Very truly yours,

Alfred E. Mann Foundation for Scientific Research

By: /s/ John G. Petrovich
Name: John G. Petrovich
Title: General Counsel

AXONICS MODULATION TECHNOLOGIES, INC.

2014 STOCK INCENTIVE PLAN

This 2014 Stock Incentive Plan (the "**Plan**") is hereby established by Axonics Modulation Technologies, Inc., a Delaware corporation (the "**Company**"), and adopted by its Board of Directors as of March 12 2014 (the "**Effective Date**").

ARTICLE 1.

PURPOSES OF THE PLAN

1.1 Purposes. The purposes of the Plan are (a) to enhance the Company's ability to attract and retain the services of qualified employees, officers and directors (including non-employee officers and directors), and consultants and other service providers upon whose judgment, initiative and efforts the successful conduct and development of the Company's business largely depends, and (b) to provide additional incentives to such persons or entities to devote their utmost effort and skill to the advancement and betterment of the Company, by providing them an opportunity to participate in the ownership of the Company and thereby have an interest in the success and increased value of the Company.

ARTICLE 2.

DEFINITIONS

For purposes of this Plan, the following terms shall have the meanings indicated:

2.1 Administrator. "Administrator" means the Board or, if the Board delegates responsibility for any matter to the Committee, the term Administrator shall mean the Committee.

2.2 Affiliated Company. "Affiliated Company" means any "parent corporation" or "subsidiary corporation" of the Company, whether now existing or hereafter created or acquired, as those terms are defined in Sections 424(e) and 424(f) of the Code, respectively.

2.3 Award. "Award" means any Option or Restricted Stock granted to a Participant under the Plan.

2.4 Award Agreement. "Award Agreement" means any Option Agreement or Restricted Stock Purchase Agreement entered into between the Company and a Participant under the Plan.

2.5 Board. "Board" means the Board of Directors of the Company.

2.6 Cause. "Cause" shall, unless otherwise defined in a Participant's written employment agreement or Award Agreement, mean: (a) the commission of any act of fraud, embezzlement or dishonesty by Participant which adversely affects the business of the Company, the acquiring or successor entity (or parent or any subsidiary thereof), (b) any unauthorized use or disclosure by Participant of confidential information or trade secrets of the Company, the acquiring or successor entity (or parent or any subsidiary thereof), (c) any act or omission by the Participant involving malfeasance or gross negligence in the performance of Participant's duties to, or deviation from any of the policies or directives of, the Company or the acquiring or successor entity (or parent or any subsidiary thereof), or (d) any illegal act by Participant which adversely affects the business of the Company, the acquiring or successor entity (or parent or any subsidiary thereof), or any felony committed by Participant, as evidenced by conviction thereof

2.7 Change in Control. "Change in Control" means the occurrence of any of the following:

(a) The acquisition, directly or indirectly, in one transaction or a series of related transactions, by any person or group (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) of the beneficial ownership of securities of the Company possessing more than fifty percent (50%) of the total combined voting power of all outstanding securities of the Company, provided, however if a person or group is considered to own securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the securities of the Company and such person or group acquires additional securities of the Company, the acquisition of additional securities by such person or group shall not be considered to cause a Change in Control of the Company;

(b) The consummation of a merger or consolidation in which the Company is not the surviving entity, except for a transaction in which the holders of the outstanding voting securities of the Company immediately prior to such merger or consolidation hold as a result of holding Company securities prior to such transaction, in the aggregate, securities possessing at least fifty percent (50%) of the total combined voting power of all outstanding voting securities of the surviving entity immediately after such merger or consolidation;

(c) A reverse merger in which the Company is the surviving entity but in which the holders of the outstanding voting securities of the Company immediately prior to such merger hold, in the aggregate, securities possessing less than fifty percent (50%) of the total combined voting power of all outstanding voting securities of the Company or of the acquiring entity immediately after such merger; or

(d) The sale, transfer or other disposition (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company, except for a transaction in which the holders of the outstanding voting securities of the Company immediately prior to such transaction(s) receive as a distribution with respect to securities of the Company, in the aggregate, securities possessing at least fifty percent (50%) of the total combined voting power of all outstanding voting securities of the acquiring entity immediately after such transaction(s).

2.8 Code. "Code" means the Internal Revenue Code of 1986, as amended from time to time, and applicable Treasury Regulations and administrative guidance promulgated thereunder.

2.9 Committee. "Committee" means a committee of two or more members of the Board appointed to administer the Plan pursuant to Section 7.1 hereof.

2.10 Common Stock. "Common Stock" means the Common Stock of the Company.

2.11 Company. "Company" shall have the meaning set forth in the preamble to this Plan.

2.12 Consultant. "Consultant" means any consultant or advisor if: (a) the consultant or advisor renders bona fide services to the Company or any Affiliated Company; (b) the services rendered by the consultant or advisor 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 securities; and (c) the consultant or advisor is a natural person who has contracted directly with the Company or any Affiliated Company to render such services.

2.13 Continuous Service. Unless otherwise provided in an Award Agreement, the terms of which may be different from the following, "Continuous Service" means (a) Participant's employment by either the Company or any Affiliated Company, or by successor entity following a Change in Control, which is uninterrupted except for vacations, illness (not including permanent Disability), or leaves of absence which are approved in writing by the Company or any of such other employer entities, as applicable, (b) service as a member of the Board until the Participant resigns, is removed from office, or Participant's term of office expires and he or she is not reelected, or (c) so long as the Participant is engaged as a Consultant or other Service Provider.

2.14 Disability. "Disability" means permanent and total disability as defined in Section 22(e)(3) of the Code. The Administrator's determination of a Disability or the absence thereof shall be conclusive and binding on all interested parties.

2.15 Effective Date. "Effective Date" shall have the meaning set forth in the preamble to this Plan.

2.16 Established Securities Market. "Established Securities Market" means either: (a) a securities exchange registered with the Securities and Exchange Commission under Section 6 of the Exchange Act; (b) a foreign national securities exchange officially recognized, sanctioned or supervised by governmental authority; or (c) an OTC Market.

2.17 Exchange Act. "Exchange Act" means the Securities and Exchange Act of 1934, as amended.

2.18 Exercise Price. "Exercise Price" means the purchase price per share of Common Stock payable upon exercise of an Option.

2.19 Fair Market Value. "Fair Market Value" on any given date means the value of a share of Common Stock, determined as follows:

(a) If the Common Stock is then readily tradable on an Established Securities Market, the Fair Market Value shall be determined by the Administrator through the application of a valuation method permitted under Treasury Regulation Section 1.409A-1(b)(5)(iv)(A); and

(b) If the Common Stock is not then readily tradable on an Established Securities Market, the Fair Market Value shall be determined by the Administrator in good faith through the reasonable application of a reasonable valuation method in accordance with Treasury Regulation Section 1.409A-1(b)(5)(iv)(B), which determination shall be conclusive and binding on all interested parties.

2.20 FINRA Dealer. "FINRA Dealer" means a broker-dealer that is a member of the Financial Industry Regulatory Authority, Inc.

2.21 Incentive Option. "Incentive Option" means any Option designated and qualified as an "incentive stock option" as defined in Section 422 of the Code.

2.22 New Incentives. "New Incentives" shall have the meaning set forth in Section 8.1(a) hereof

2.23 Nonqualified Option. "Nonqualified Option" means any Option that is not an Incentive Option. To the extent any Option designated as an Incentive Option fails in whole or in part to qualify as an Incentive Option, including without limitation, for failure to meet the requirements applicable to 10% Stockholders or because the annual limit described in Section 5.6 hereof is exceeded, it shall to that extent constitute a Nonqualified Option.

2.24 Option. "Option" means any option to purchase Common Stock granted pursuant to Article 5 hereof.

2.25 Option Agreement. "Option Agreement" means the written agreement entered into between the Company and an Optionee with respect to an Option granted under the Plan.

2.26 Optionee. "Optionee" means a Participant who holds an Option.

2.27 OTC Market. "OTC Market" means an over-the-counter market reflected by the existence of an interdealer quotation system.

2.28 Participant. "Participant" means an individual that holds an Option or Restricted Stock granted pursuant to the Plan.

2.29 Performance Criteria. "Performance Criteria" means one or more of the following as established by the Administrator, which may be stated as a target percentage or dollar amount, a percentage increase over a base period percentage or dollar amount or the occurrence of a specific event or events:

(a) Revenue;

(b) Gross profit;

(c) Operating income;

(d) Pre-tax income;

(e) Earnings before interest, taxes, depreciation and amortization ("**EBITDA**");

(f) Earnings per common share on a fully diluted basis ("**EPS**");

(g) Consolidated net income of the Company divided by the average consolidated common stockholders' equity ("**ROE**");

(h) Cash and cash equivalents derived from either (i) net cash flow from operations, or (ii) net cash flow from operations, financings and investing activities ("Cash Flow");

(i) Adjusted operating cash flow return on income;

(j) Cost containment or reduction;

(k) The percentage increase in the market price of the Company's common stock over a stated period; and

(l) Individual business objectives.

2.30 Plan. "Plan" means this 2014 Stock Incentive Plan of the Company.

2.31 Publicly Held. "Publicly Held" means, with respect to the Company, any point in time in which any class of common equity securities of the Company are required to be registered under Section 12 of the Exchange Act.

2.32 Purchase Price. "Purchase Price" means the purchase price payable to purchase a share of Restricted Stock.

2.33 Repurchase Rights. "Repurchase Rights" means the right of the Company to repurchase shares of Common Stock issued pursuant to an Award granted under the Plan.

2.34 Restricted Stock. "Restricted Stock" means shares of Common Stock issued pursuant the Plan, subject to any restrictions and conditions as are established pursuant to Article 6.

2.35 Restricted Stock Purchase Agreement. "Restricted Stock Purchase Agreement" means the written agreement entered into between the Company and a Participant with respect to the purchase of Restricted Stock under the Plan.

2.36 Securities Act. "Securities Act" means the Securities Act of 1933, as amended.

2.37 Service Provider. "Service Provider" means a Consultant or other natural person the Administrator authorizes to become a Participant in the Plan and who provides services to: (a) the Company; (b) an Affiliated Company; or (c) any other business venture designated by the Administrator in which the Company (or any entity that is a successor to the Company) or an Affiliated Company has a significant ownership interest.

2.38 10% Stockholder. "10% Stockholder" means a person who, as of a relevant date, owns or is deemed to own (by reason of the attribution rules applicable under Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of an Affiliated Company measured as of an Incentive Option's date of grant.

2.39 Treasury Regulations. "Treasury Regulations" shall mean the regulations of the United States Treasury Department promulgated under the Code.

ARTICLE 3.

ELIGIBILITY

3.1 Incentive Options. Only employees of the Company or of an Affiliated Company (including officers of the Company and members of the Board if they are employees of the Company or of an Affiliated Company) are eligible to receive Incentive Options under the Plan.

3.2 Nonqualified Options and Restricted Stock. Employees of the Company or of an Affiliated Company, members of the Board (whether or not employed by the Company or an Affiliated Company), and Service Providers are eligible to receive Nonqualified Options and Restricted Stock under the Plan.

3.3 Section 162(m) Limitation. On and after such time, if any, that the Company is Publicly Held, no employee of the Company or of an Affiliated Company shall be eligible to be granted Options covering more than 1,000,000 shares of Common Stock during any calendar year; provided, however, the preceding limitation shall not apply until the earliest time required for compensation attributable to Options granted under the Plan to be exempt from the deduction limitation of Section 162(m) of the Code.

ARTICLE 4.

PLAN SHARES

4.1 Shares Subject to the Plan. As of the Effective Date, there are 460,000 total shares of Common Stock available for issuance under the Plan. For purposes of this Section 4.1, in the event that (a) all or any portion of any Award granted or offered under the Plan can no longer under any circumstances be exercised or (b) any shares of Common Stock are reacquired by the Company which were initially the subject of an Award Agreement, the shares of Common Stock allocable to the unexercised portion of such Award, or the shares so reacquired, shall again be available for grant or issuance under the Plan. The maximum number of shares of Common Stock that may be issued under the Plan as Incentive Options shall be 460,000 shares, subject to adjustment as to the number and kind of shares pursuant to Section 4.2.

4.2 Changes in Capital Structure. In the event that the outstanding shares of Common Stock are hereafter increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of a recapitalization, stock split, reverse stock split, combination of shares, reclassification, stock dividend, or other change in the capital structure of the Company, then appropriate adjustments shall be automatically made to the aggregate number and kind of shares subject to this Plan, the number and kind of shares and the Exercise Price or Purchase Price per share subject to outstanding Award Agreements, and the limits on the number of shares under Sections 3.3 and 4.1 hereof, all in order to preserve, as nearly as practical, but not to increase, the benefits to Participants.

ARTICLE 5.

OPTIONS

5.1 Option Agreement. Each Option granted pursuant to this Plan shall be evidenced by an Option Agreement that shall specify the number of shares subject thereto, the Exercise Price per share, and whether the Option is an Incentive Option or Nonqualified Option. As soon as is practical following the grant of an Option, an Option Agreement shall be duly executed and delivered by or on behalf of the Company to the Optionee to whom such Option is granted. Each Option Agreement shall be in the form attached hereto as Exhibit A and contain such additional or specific terms and conditions as the Administrator shall, from time to time, deem desirable. With respect to terms unspecified in such form Option Agreement, an Option Agreement may be different from each other Option Agreement provided that all permitted variations in the terms of any Option Agreement permitted by this Article 5 shall be subject to the general requirement that the grant be made pursuant to the form Option Agreement.

5.2 Exercise Price. The Exercise Price per share of Common Stock covered by each Option shall be determined by the Administrator, provided that (a) the Exercise Price shall not be less than 100% of the Fair Market Value per share of Common Stock on the date the Option is granted, and (b) in the case of an Incentive Option granted to a 10% Stockholder, the Exercise Price shall not be less than 110% of the Fair Market Value per share of Common Stock on the date the Incentive Option is granted. However, an Option may be granted with an Exercise Price lower than that set forth in the preceding sentence if such Option is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Sections 424 of the Code, as applicable.

5.3 Payment of Exercise Price. Payment of the Exercise Price or the Purchase Price shall be made upon exercise of an Option or the purchase of Restricted Stock and may be made, in the discretion of the Administrator , subject to any restrictions under applicable law, by:

(a) check or cash;

(b) surrender of shares of Common Stock acquired pursuant to the exercise of an Option, which surrendered shares shall be valued at Fair Market Value as of the date of such exercise;

(c) delivery of a promissory note in a form and with such recourse, interest, security and other provisions as set forth in the form of an exhibit to the form of Restricted Stock Purchase Agreement and with such other terms as the Administrator determines to be appropriate (subject to applicable law), provided that the option to make payment pursuant to this Section 5.3(c) shall always be available to a Participant that is any of (i) an executive officer, (ii) a director level employee or (iii) a Consultant of the Company with similar status to either (i) or (ii);

(d) cancellation of indebtedness of the Company to the Optionee;

(e) waiver of compensation due or accrued to the Optionee for services rendered;

(f) provided that a public market for the Common Stock exists, a "same day sale" commitment from the Optionee and a FINRA Dealer whereby the Optionee irrevocably elects to exercise the Option and to sell a portion of the shares so purchased to pay for the Exercise Price and whereby the FINRA Dealer irrevocably commits upon receipt of such shares to forward the Exercise Price directly to the Company;

(g) provided that a public market for the Common Stock exists, a "margin" commitment from the Optionee and a FINRA Dealer whereby the Optionee irrevocably elects to exercise the Option and to pledge the shares so purchased to the FINRA Dealer in a margin account as security for a loan from the FINRA Dealer in the amount of the, Exercise Price, and whereby the FINRA Dealer irrevocably commits upon receipt of such shares to forward the Exercise Price directly to the Company;

(h) a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Common Stock to be issued upon exercise by the number of shares of Common Stock having an aggregate Fair Market Value as of the date of exercise equal to the total Exercise Price. The shares of Common Stock used to pay the Exercise Price under this "net exercise" provision shall be considered to have resulted from the exercise of this Option, and accordingly, this Option will not again be exercisable with respect to such shares of Common Stock, as well as any shares of Common Stock actually delivered to Optionee; or

(i) any combination of the foregoing methods of payment or any other consideration or method of payment as shall be permitted by applicable law.

5.4 Term and Termination of Options. The term and provisions for termination of each Option shall be as fixed by the Administrator, but no Option may be exercisable more than ten (10) years after the date it is granted. An Incentive Option granted to a person who is a 10% Stockholder on the date of grant shall not be exercisable more than five (5) years after the date it is granted.

5.5 Vesting and Exercise of Options. Each Option shall vest and become exercisable in one or more installments at such time or times and subject to such conditions, including without limitation, the achievement of specified performance goals or objectives, as shall be determined by the

Administrator. Notwithstanding the foregoing, each Option granted to an employee of the Company or Affiliated Company shall provide that the employee shall have the right to exercise the vested portion of any Option held at the termination of the employee's Continuous Service for at least ninety (90) days following termination of the employee's Continuous Service for any reason other than Cause and that the employee (or employee's designee) shall have the right to exercise the Option for at least six (6) months if such termination of employee's Continuous Service is due to the death or Disability of the employee.

5.6 Annual Limit on Incentive Options. To the extent required for "incentive stock option" treatment under Section 422 of the Code, if the aggregate Fair Market Value (determined as of the date of grant) of the Common Stock with respect to which Incentive Options granted under this Plan and any other plan of the Company or any Affiliated Company becomes exercisable for the first time by an Optionee during any calendar year exceeds $100,000, such excess shall be a Nonqualified Option.

5.7 Nontransferability of Options. Except as otherwise provided by the Administrator in an Option Agreement and as permissible under applicable law, no Option shall be assignable or transferable except by will or the laws of descent and distribution, and during the life of the Optionee shall be exercisable only by such Optionee. Notwithstanding the forgoing, the Administrator may grant Nonqualified Options that may be transferred to a revocable trust or as otherwise permitted under Rule 701 of the Securities Act.

5.8 Rights as Stockholder. An Optionee or permitted transferee of an Option shall have no rights or privileges as a stockholder with respect to any shares covered by an Option until such Option has been duly exercised and shares purchased upon such exercise have been issued to such person.

5.9 Unvested Shares. The Administrator shall have the discretion to grant Options that are exercisable for unvested shares of Common Stock on such terms and conditions as the Administrator shall determine from time to time.

5.10 Company's Repurchase Right. In the event of a termination of an Optionee's Continuous Service for any reason whatsoever (including death or Disability), the Option Agreement may provide, in the discretion of the Administrator, that the Company, or its assignee, shall have the right, exercisable at the discretion of the Administrator, to repurchase shares of Common Stock acquired pursuant to the exercise of an Option at any time, on such terms as may be provided in the Option Agreement. The repurchase price for shares repurchased by the Company shall be as set forth in the document evidencing the Repurchase Right, subject to the following requirements:

(a) In the case of vested shares, the repurchase price shall be equal to the Fair Market Value per share of Common Stock as of the date of termination of Optionee's Continuous Service; and

(b) In the case of unvested shares, the repurchase price may be equal to one of the following: (i) the Fair Market Value per share of Common Stock as of the date of termination of Optionee's Continuous Service, (ii) the Exercise Price paid per share, or (iii) the lesser of (A) the Exercise Price paid per share, or (B) the Fair Market Value per share of Common Stock as of the date of termination of Optionee's Continuous Service.

The terms upon which the Company's Repurchase Right shall be exercisable (including but not limited to the period and procedure for exercise and the timing and method of payment for the purchased shares) shall be established by the Administrator and set forth in the document evidencing such Repurchase Right.

5.11 Compliance with Code Section 409A. Notwithstanding anything in this Article 5 to the contrary, all Options are intended to be structured to satisfy the requirements of Code Section 409A, or an applicable exemption, as determined by the Administrator.

ARTICLE 6.

RESTRICTED STOCK

6.1 Issuance and Sale of Restricted Stock. The Administrator shall have the authority to grant Restricted Stock under this Plan, subject to such terms, restrictions and conditions as the Administrator may determine at the time of grant as limited by this Article 6.

6.2 Restricted Stock Purchase Agreements. A Participant shall have no rights with respect to the shares of Restricted Stock covered by a Restricted Stock Purchase Agreement until the Participant has executed and delivered to the Company the Restricted Stock Purchase Agreement. Each Restricted Stock Purchase Agreement shall be in the form attached hereto as Exhibit B and contain such additional terms and conditions as the Administrator shall, from time to time, deem desirable. With respect to terms unspecified in such form Restricted Stock Purchase Agreement, a Restricted Stock Purchase Agreement may be different from other Restricted Stock Purchase Agreements provided that all permitted variations in the terms of any Restricted Stock Purchase Agreement permitted by this Article 6 shall be subject to the general requirement that the grant be made pursuant to the form Restricted Stock Purchase Agreement.

6.3 Rights as a Stockholder. Upon complying with the provisions of Section 6.2 hereof, a Participant shall have the rights of a stockholder with respect to the Restricted Stock purchased pursuant to a Restricted Stock Purchase Agreement, including voting and dividend rights, subject to the terms, restrictions and conditions as are set forth in such Restricted Stock Purchase Agreement. Unless the Administrator shall determine otherwise, certificates evidencing shares of Restricted Stock shall remain in the possession of the Company until such shares have vested in accordance with the terms of the Restricted Stock Purchase Agreement.

6.4 Transfer Restrictions. Shares of Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided in the Restricted Stock Purchase Agreement.

6.5 Company's Repurchase Right. In the event of a termination of a Participant's Continuous Service with the Company for any reason whatsoever (including death or Disability), the Restricted Stock Purchase Agreement may provide, in the discretion of the Administrator, that the Company shall have the right, exercisable at the discretion of the Administrator, to repurchase shares of Common Stock acquired pursuant to a Restricted Stock Purchase Agreement, on such terms as may be provided in the Restricted Stock Purchase Agreement. The repurchase price for shares repurchased by the Company shall be as set forth in the document evidencing the Repurchase Right, subject to the following requirements:

(a) In the case of vested shares, the repurchase price shall be equal to the Fair Market Value per share of Common Stock as of the date of termination of Participant's Continuous Service; and

(b) In the case of unvested shares, the repurchase price may be equal to one of the following: (i) the Fair Market Value per share of Common Stock as of the date of termination of Participant's Continuous Service, (ii) the original Purchase Price paid per share, if any, or (iii) the lesser of (A) the original Purchase Price paid per share, if any, or (B) the Fair Market Value per share of Common Stock as of the date of termination of Participant's Continuous Service.

The terms upon which such Repurchase Right shall be exercisable (including but not limited to the period and procedure for exercise and the timing and method of payment for the purchased shares) shall be established by the Administrator and set forth in the document evidencing such Repurchase Right.

6.6 Vesting of Restricted Stock. The Restricted Stock Purchase Agreement shall specify the date or dates, the Performance Criteria or objectives which must be achieved, and any other conditions on which the Restricted Stock may vest.

6.7 Compliance with Code Section 409A. Notwithstanding anything in this Article 6 to the contrary, all Restricted Stock Awards are intended to be structured to satisfy the requirements of Code Section 409A, or an applicable exemption, as determined by the Administrator.

ARTICLE 7.

ADMINISTRATION OF THE PLAN

7.1 Administrator. Authority to control and manage the operation and administration of the Plan shall be vested in the Board, which may delegate such responsibilities in whole or in part to a Committee of the Board. Members of the Committee may be appointed from time to time by, and shall serve at the pleasure of, the Board. The Board may limit the composition of the Committee to those persons necessary to comply with the requirements of Section 162(m) of the Code and Section 16 of the Exchange Act.

7.2 Powers of the Administrator. In addition to any other powers or authority conferred upon the Administrator elsewhere in the Plan or by applicable law, the Administrator shall have full power and authority: (a) to determine the persons to whom, and the time or times at which Awards shall be granted, the number of shares of Common Stock to be represented by each Option Agreement and the number of shares of Common Stock to be subject to each Restricted Stock Purchase Agreement, and the consideration to be received by the Company upon the exercise of such Options or sale of Restricted Stock; (b) to interpret the Plan; (c) to create, amend or rescind rules and regulations relating to the Plan; (d) to determine the terms, conditions and restrictions contained in, and the form of, Award Agreements; (e) to determine the identity or capacity of any persons who may be entitled to exercise a Participant's rights under any Award Agreement under the Plan; (0 to correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Award Agreement; (g) to accelerate the vesting of any Award or release or waive any Repurchase Rights of the Company with respect to any Award; (h) to extend the exercise date of any Option (but not beyond the original expiration date); (i) to provide for rights of first refusal and/or Repurchase Rights; (j) to amend outstanding Award Agreements to provide for, among other things, any change or modification which the Administrator could have included in the original Award Agreement or in furtherance of the powers provided for herein; and (k) to make all other determinations necessary or advisable for the administration of the Plan, but only to the extent not contrary to the express provisions of the Plan. Any action, decision, interpretation or determination made in good faith by the Administrator in the exercise of its authority conferred upon it under the Plan shall be final and binding on the Company and all Participants.

7.3 Section 409A of the Code. Notwithstanding anything in this Plan to the contrary, (a) any adjustments made pursuant to this Article 8 to Awards that are considered "deferred compensation" within the meaning of Section 409A of the Code shall be made in compliance with the

requirements of Section 409A of the Code; (b) any adjustments made pursuant to Article 8 to Awards that are not considered "deferred compensation" subject to Section 409A of the Code shall be made in such a manner as to ensure that after such adjustment the Awards either (i) continue not to be subject to Section 409A of the Code or (ii) comply with the requirements of Section 409A of the Code; and (c) in any event, the Administrator shall not have the authority to make any adjustments pursuant to Article 8 to the extent the existence of such authority would cause an Award that is not intended to be subject to Section 409A of the Code at the time of grant to be subject thereto.

7.4 Limitation on Liability. No employee of the Company or member of the Board or Committee shall be subject to any liability with respect to duties under the Plan unless the person acts fraudulently or in bad faith. To the extent permitted by applicable law, the Company shall indemnify each member of the Board or Committee, and any employee of the Company with duties under the Plan, who was or is a party, or is threatened to be made a party, to any threatened, pending or completed proceeding, whether civil, criminal, administrative or investigative, by reason of such person's conduct in the performance of duties under the Plan.

ARTICLE 8.

CHANGE IN CONTROL

8.1 Change in Control. In order to preserve a Participant's rights with respect to any outstanding Awards in the event of a Change in Control of the Company the Administrator shall provide that (i) the vesting for all outstanding Options shall accelerate automatically effective as of immediately prior to the consummation of a Change in Control and (ii) all Repurchase Rights shall automatically terminate immediately prior to the consummation of a change in Control and the Shares subject to those terminated Repurchase Rights shall immediately vest in full.

ARTICLE 9.

AMENDMENT AND TERMINATION OF THE PLAN

9.1 Amendments. The Board may from time to time alter, amend, suspend or terminate the Plan in such respects as the Board may deem advisable. No such alteration, amendment, suspension or termination shall be made which shall (i) substantially affect or impair the rights of any Participant under an outstanding Award Agreement without such Participant's consent, or (ii) cause this Plan, or any Award granted pursuant to it, to violate Code Section 409A. The Board may alter or amend the Plan to comply with requirements under the Code relating to Incentive Options or other types of options that give Optionees more favorable tax treatment than that applicable to Options granted under this Plan as of the date of its adoption. Upon any such alteration or amendment, any outstanding Award granted hereunder may, if the Administrator so determines and if permitted by applicable law, be subject to the more favorable tax treatment afforded to a Participant pursuant to such terms and conditions.

9.2 Plan Termination. Unless the Plan shall theretofore have been terminated, the Plan shall terminate on the tenth (10th) anniversary of the Effective Date and no Awards may be granted under the Plan thereafter, but Award Agreements then outstanding shall continue in effect in accordance with their respective terms.

ARTICLE 10.

TAXES

10.1 Tax Withholding. The Company shall have the power to withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy any applicable Federal, state, and local tax withholding requirements with respect to any Options exercised or shares of Restricted Stock issued under this Plan. To the extent permissible under applicable tax, securities and other laws, the Administrator may, in its sole discretion and upon such terms and conditions as it may deem appropriate, permit a Participant to satisfy his or her obligation to pay any such tax, in whole or in part, by (a) directing the Company to apply shares of Common Stock to which the Participant is entitled as a result of the exercise of an Option or lapse of restrictions on shares of Restricted Stock or (b) delivering to the Company shares of Common Stock owned by the Participant; provided, however, the amount withheld shall not exceed the amount necessary to satisfy the Company's tax withholding obligations at the minimum statutory withholding rates, as applicable. The shares of Common Stock so applied or delivered in satisfaction of the Participant's tax withholding obligation shall be valued at their Fair Market Value as of the date of measurement of the amount of income subject to withholding.

ARTICLE 11.

MISCELLANEOUS

11.1 Benefits Not Alienable. Other than as provided above, benefits under the Plan may not be assigned or alienated, whether voluntarily or involuntarily. Any unauthorized attempt at assignment, transfer, pledge or other disposition shall be without effect.

11.2 No Enlargement of Employee Rights. This Plan is strictly a voluntary undertaking on the part of the Company and shall not be deemed to constitute a contract between the Company and any Participant to be consideration for, or an inducement to, or a condition of, the employment of any Participant. Nothing contained in the Plan shall be deemed to give the right to any Participant to be retained as an employee of the Company or any Affiliated Company or to limit the right of the Company or any Affiliated Company to discharge any Participant at any time.

11.3 Application of Funds. The proceeds received by the Company from the sale of Common Stock pursuant to Option Agreements and Restricted Stock Purchase Agreements, except as otherwise provided herein, will be used for general corporate purposes.

11.4 Financial Reports. To the extent required by Rule 701(e) of the Securities Act, the Company shall provide, at least annually, summary financial information relating to the Company's financial condition and results of operations to each Participant who holds one or more Awards or shares of Common Stock issued pursuant to the Plan.

11.5 Stockholder Approval. The Company shall obtain stockholder approval of the Plan within twelve (12) months before or after the adoption of the Plan by the Board of Directors.

FIRST AMENDMENT
TO
AXONICS MODULATION TECHNOLOGIES, INC.
2014 STOCK INCENTIVE PLAN

In accordance with those certain resolutions adopted by the Board of Directors and Stockholders of Axonics Modulation Technologies, Inc., a Delaware corporation (the "Company"), the 2014 Stock Incentive Plan (the "Plan") of the Company is hereby amended as follows:

1. Section 4.1 of the Plan is hereby amended and restated in its entirety to increase the number of shares reserved for issuance under the Plan as follows:

> "**4.1 Shares Subject to the Plan**. As of the Effective Date, there are 1,413,395 total shares of Common Stock available for issuance under the Plan. For purposes of this Section 4.1, in the event that (a) all or any portion of any Award granted or offered under the Plan can no longer under any circumstances be exercised or (b) any shares of Common Stock are reacquired by the Company which were initially the subject of an Award Agreement, the shares of Common Stock allocable to the unexercised portion of such Award, or the shares so reacquired, shall again be available for grant or issuance under the Plan. The maximum number of shares of Common Stock that may be issued under the Plan as Incentive Options shall be 1,413,395 shares, subject to adjustment as to the number and kind of shares pursuant to Section 4.2."

2. Unless otherwise expressly provided for in this First Amendment to the Plan (the "First Amendment"), all capitalized words, phrases, or defined terms used in this First Amendment will have the same meaning ascribed to them in the Plan.

3. Except as expressly set forth in this First Amendment, there have been no other changes or modifications to the Plan, and the plan remains otherwise unchanged and in full force and effect.

4. This First Amendment shall be effective as of December 4, 2015.

I hereby certify that the Plan was duly amended and such First Amendment has been duly approved by the Board of Directors of the Company as of December 4, 2015 and such First Amendment has been duly approved by the Stockholders of the Company as of December 4, 2015.

[Remainder of Page Intentionally Left Blank; Signature Page to Follow]

IN WITNESS WHEREOF, the undersigned has caused this First Amendment to be executed effective as of the date set forth above.

AXONICS MODULATION TECHNOLOGIES, INC.,
A Delaware corporation

By: /s/ Raymond W. Cohen
Name: Raymond W. Cohen
Title: CEO

Signature Page to First Amendment to the Plan

SECOND AMENDMENT
TO
AXONICS MODULATION TECHNOLOGIES, INC.
2014 STOCK INCENTIVE PLAN

In accordance with those certain resolutions adopted by the Board of Directors and Stockholders of Axonics Modulation Technologies, Inc., a Delaware corporation (the "Company"), the 2014 Stock Incentive Plan (the "Plan") of the Company is hereby further amended as follows:

1. Section 4.1 of the Plan is hereby amended and restated in its entirety to increase the number of shares reserved for issuance under the Plan as follows:

"**4.1 Shares Subject to the Plan**. As of the Effective Date, there are 1,651,976 total shares of Common Stock available for issuance under the Plan. For purposes of this Section 4.1, in the event that (a) all or any portion of any Award granted or offered under the Plan can no longer under any circumstances be exercised or (b) any shares of Common Stock are reacquired by the Company which were initially the subject of an Award Agreement, the shares of Common Stock allocable to the unexercised portion of such Award, or the shares so reacquired, shall again be available for grant or issuance under the Plan. The maximum number of shares of Common Stock that may be issued under the Plan as Incentive Options shall be 1,651,976 shares, subject to adjustment as to the number and kind of shares pursuant to Section 4.2."

2. Unless otherwise expressly provided for in this Second Amendment to the Plan (the "Second Amendment"), all capitalized words, phrases, or defined terms used in this Second Amendment will have the same meaning ascribed to them in the Plan.

3. Except as expressly set forth in this Second Amendment, there have been no other changes or modifications to the Plan, and the plan remains otherwise unchanged and in full force and effect.

4. This Second Amendment shall be effective as of April 28, 2017.

I hereby certify that the Plan was duly amended and such Second Amendment has been duly approved by the Board of Directors of the Company as of April 19, 2017 and such Second Amendment has been duly approved by the Stockholders of the Company as of April 26, 2017.

[Remainder of Page Intentionally Left Blank; Signature Page to Follow]

IN WITNESS WHEREOF, the undersigned has caused this Second Amendment to be executed effective as of the date set forth above.

AXONICS MODULATION TECHNOLOGIES, INC.,
a Delaware corporation

By: /s/ Raymond W. Cohen
Name: Raymond W. Cohen
Title: CEO

AMENDMENT
TO
AXONICS MODULATION TECHNOLOGIES, INC.
2014 STOCK INCENTIVE PLAN

In accordance with those certain resolutions adopted by the Board of Directors and Stockholders of Axonics Modulation Technologies, Inc., a Delaware corporation (the "Company"), the 2014 Stock Incentive Plan (the "Plan") of the Company is hereby further amended as follows:

1. Section 4.1 of the Plan is hereby amended and restated in its entirety to increase the number of shares reserved for issuance under the Plan as follows:

"**4.1 Shares Subject to the Plan**. As of the Effective Date, there are 2,648,781 total shares of Common Stock available for issuance under the Plan. For purposes of this Section 4.1, in the event that (a) all or any portion of any Award granted or offered under the Plan can no longer under any circumstances be exercised or (b) any shares of Common Stock are reacquired by the Company which were initially the subject of an Award Agreement, the shares of Common Stock allocable to the unexercised portion of such Award, or the shares so reacquired, shall again be available for grant or issuance under the Plan. The maximum number of shares of Common Stock that may be issued under the Plan as Incentive Options shall be 2,648,781 shares, subject to adjustment as to the number and kind of shares pursuant to Section 4.2."

2. Unless otherwise expressly provided for in this Amendment to the Plan (the "Amendment"), all capitalized words, phrases, or defined terms used in this Amendment will have the same meaning ascribed to them in the Plan.

3. Except as expressly set forth in this Amendment, there have been no other changes or modifications to the Plan, and the plan remains otherwise unchanged and in full force and effect.

4. This Amendment shall be effective as of March 29, 2018.

I hereby certify that the Plan was duly amended and such Amendment has been duly approved by the Board of Directors of the Company as of March 29, 2018 and such Amendment has been duly approved by the Stockholders of the Company as of March 29, 2018.

[Remainder of Page Intentionally Left Blank; Signature Page to Follow]

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed effective as of the date set forth above.

AXONICS MODULATION TECHNOLOGIES, INC., a Delaware corporation

By: /s/ Raymond W. Cohen
Name: Raymond W. Cohen
Title: CEO

Exhibit 10.6

AXONICS MODULATION TECHNOLOGIES, INC.
STOCK OPTION AGREEMENT

The Board of Directors of Axonics Modulation Technologies, Inc., a Delaware corporation (the "**Company**"), has approved a grant to «First_Name» «Last_Name», an individual (the "**Optionee**"), of an option (the "**Option**") to purchase shares of Common Stock of the Company, $0.0001 par value per share (the "**Shares**"), pursuant to the Company's 2014 Stock Incentive Plan as amended from time to time (the "**Plan**") and this Stock Option Agreement (the "**Option Agreement**"), as follows:

Grant Date	«Grant_Date»
Total Number of Shares	«Total_Number_of_Shares» Shares
Exercise Price Per Share	«Exercise_Price_per_Share»
Type of Option (check one)	[«Incentive_Option»] Incentive Option [«Nonqualified_Option»] Nonqualified Stock Option
Vesting Commencement Date	«Vesting_Commencement_Date
Vesting Schedule	[_____]
Term of Option	The Option will expire ten (10) years from the Grant Date, unless terminated earlier as provided in the Option Agreement.

By their signatures below, the Company and the Optionee agree that the Option is subject to this Option Agreement, including the Additional Terms and Conditions (the "**Terms**") attached hereto and incorporated herein as part of this Option Agreement, and the provisions of the Plan. In the event there is a conflict or inconsistency between any provision in this Option Agreement and one or more provisions of the Plan, the provisions of the Plan shall govern. Capitalized terms used in this Option Agreement that are not otherwise defined herein shall have the same meanings as defined in the Plan. The Optionee acknowledges receipt of copies of both this Option Agreement (including the Terms) and the Plan, and hereby accepts the Option subject to all of their terms and conditions.

OPTIONEE

«First_Name» «Last_Name»

_____
Signature

_____
Date

_____
Address:

_____

COMPANY

Axonics Modulation Technologies, Inc.

By: _____
[Insert Name and Title]
Address: _____

_____

Attachments: Additional Terms and Conditions; Notice of Exercise of Stock Option and Investment Representations; Axonics Modulation Technologies, Inc., 2014 Stock Incentive Plan.

ADDITIONAL TERMS AND CONDITIONS

The terms and conditions set forth below constitute part of the Stock Option Agreement to which they are attached, and references herein to the "Option Agreement" include both documents as one agreement.

Grant of Option. The Company has granted to the Optionee an Option to purchase all or any portion of the number of Shares at the exercise price per share (the "**Exercise Price**") stated on the first page of this Option Agreement. If the box marked "Incentive Option" on the first page hereof is checked, then this Option is intended to qualify as an "incentive stock option" as defined in Section 422 of the Internal Revenue Code of 1986, as amended (the "**Code**"). If this Option fails in whole or in part to qualify as an incentive stock option, or if the box marked "Nonqualified Option" on the first page hereof is checked, then this Option shall to that extent constitute a nonqualified stock option.

2. Vesting of Option. The right to exercise this Option shall vest and become exercisable as set forth on the first page of this Option Agreement. No additional Shares shall vest after the date of termination of Optionee's "Continuous Service" (as defined below), but this Option shall continue to be exercisable in accordance with Section 3 hereof with respect to that number of Shares that have vested as of the date of termination of Optionee's Continuous Service.

For purposes of this Option Agreement, the term "**Continuous Service**" means (a) employment by either the Company or any parent or subsidiary corporation of the Company, or by a corporation or a parent or subsidiary of a corporation issuing or assuming a stock option in a transaction to which Section 424(a) of the Code applies, which is uninterrupted except for vacations, illness (not including Disability), or leaves of absence which are approved in writing by the Company or any of such other employer corporations, if applicable, (b) service as a member of the Board until Optionee resigns, is removed from office, or Optionee's term of office expires and he or she is not reelected, or (c) so long as Optionee is engaged as a Consultant or other Service Provider.

3. Term of Option. The right of the Optionee to exercise this Option shall terminate upon the first to occur of the following:

(a) the expiration of ten (10) years from the Grant Date; [1]

(b) the expiration of one (1) year from the date of termination of Optionee's Continuous Service if such termination is due to Disability of the Optionee;

(c) the expiration of one (1) year from the date of termination of Optionee's Continuous Service if such termination is due to Optionee's death or if death occurs during either the three-month or ninety (90) day period following termination of Optionee's Continuous Service pursuant to Section 3(d) or 3(e) below, as the case may be;

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1 If Optionee is a 10% Stockholder (as defined in the Plan) as of the Grant Date, and the Option is an Incentive Option, the Option will expire five (5) years from the Grant Date, unless terminated earlier as provided in the Option Agreement.

(d) the expiration of three (3) months from the date of termination of Optionee's Continuous Service if such termination occurs for any reason other than Disability, death, voluntary resignation or Cause; provided, however, that if Optionee dies during such three-month period the provisions of Section 3(c) above shall apply;

(e) the expiration of ninety (90) days from the date of termination of Optionee's Continuous Service if such termination occurs due to voluntary resignation; provided, however, that if Optionee dies during such ninety (90) day period the provisions of Section 3(c) above shall apply;

(f) the termination of Optionee's Continuous Service, if such termination is for Cause; or

(g) upon the consummation of a "Change in Control" (as defined in the Plan), unless otherwise provided pursuant to Section 11 below.

4. Exercise of Option.

(a) General. On or after the vesting of any portion of this Option in accordance with Sections 2 or 11 hereof, and until termination of the right to exercise this Option in accordance with Section 3 above, the portion of this Option that has vested may be exercised in whole or in part by the Optionee (or, after his or her death, by the person designated pursuant to Section 5 below) upon delivery of the following to the Company at its principal executive offices:

(i) The Notice of Exercise of Stock Option and Investment Representations, in the form attached as **Exhibit A** to this Option Agreement, which identifies this Option Agreement, states the number of Shares then being purchased, and sets forth the investment intent of the Optionee or person designated pursuant to Section 5 below, as the case may be;

(ii) payment of the total Exercise Price for the Shares being purchased in accordance with Section 4(c) below, and if applicable, 4(b) below; and

(iii) payment of any applicable withholding taxes in accordance with Section 4(d) below.

(b) Eligibility to Exercise Prior to Vesting. If the Company has made Optionee eligible for exercise using a Full Recourse Promissory Note as indicated on the first page of this agreement, on or after the date of this Agreement, and until termination of the right of Optionee, Optionee is eligible to exercise this Option in accordance with Section 3 above, the portion of this Option that has not vested may be exercised in whole or in part by the Optionee (or, after his or her death, by the person designated pursuant to Section 5 below) upon delivery of the following to the Company at its principal executive offices:

(i) Notice of Exercise of Stock Option and Investment Representations, which identifies this Option Agreement, states the number of Shares then being purchased, and sets forth the investment intent of the Optionee or person designated pursuant to Section 5 below, as the case may be;

(ii) a duly executed Restricted Stock Purchase Agreement, substantially in the form attached hereto as **Exhibit B**, with a vesting schedule that will result in the same vesting as if no early exercise had occurred;

(iii) payment of the total Exercise Price for the Shares being purchased in accordance with Section 4(c) below; and

(iv) payment of any applicable withholding taxes in accordance with Section 4(c) below, and if made under 4(c)(v) the Pledge Agreement attached hereto.

(c) Payment of Exercise Price. Subject to the approval of the Administrator at the time of exercise and restrictions under applicable law, the Optionee may elect to pay the Exercise Price by any of the following methods of payment:

(i) cash or check;

(ii) a "net exercise" arrangement pursuant to which the Company will reduce the number of Shares to be issued upon exercise by the number of Shares having an aggregate Fair Market Value as of the date of exercise equal to the total Exercise Price. The Shares used to pay the Exercise Price under this "net exercise" provision shall be considered to have resulted from the exercise of this Option, and accordingly, this Option will not again be exercisable with respect to such Shares, as well as any Shares actually delivered to Optionee;

(iii) delivery of Shares already owned by Optionee having an aggregate Fair Market Value as of the date of exercise equal to the total Exercise Price. "Delivery" for these purposes, in the sole discretion of the Administrator at the time of exercise, shall include delivery to the Company of the certificate(s) representing the Shares or Optionee's attestation of ownership of such Shares in a form approved by the Administrator;

(iv) cancellation of indebtedness of the Company to the Optionee;

(v) delivery by Optionee to the Company of a full recourse promissory note in such form as reasonably approved by the Company;

(vi) waiver of compensation due to and accrued to the Optionee for services rendered;

(vii) such other form of consideration as may be approved by the Administrator from time to time to the extent permitted by applicable law;

(viii) any combination of the foregoing.

(d) Withholding. At the time of exercise of this Option, Optionee shall deliver to the Company a check or cash in the amount reasonably requested by the Company to satisfy the Company's withholding obligations under federal, state or other applicable tax laws with respect to the taxable income, if any, recognized by the Optionee in connection with the exercise of this Option, unless the Company and Optionee shall have made other arrangements for deductions or withholding from Optionee's wages, bonus or other compensation payable to Optionee, or by reduction of the number of Shares to be issued upon exercise of this Option or the delivery of Shares already owned by Optionee (so long as such withholding will not result in adverse accounting consequences to the Company), provided such arrangements satisfy the requirements of applicable law.

5. Death of Optionee; No Assignment. The rights of the Optionee under this Option Agreement may not be assigned or transferred except by will, the laws of descent and distribution or pursuant to a domestic relations order, and may be exercised during the lifetime of the Optionee only by such Optionee. Any attempt to sell, pledge, assign, hypothecate, transfer or dispose of this Option in contravention of this Option Agreement or the Plan shall be void and shall have no effect. If the Optionee's Continuous Service terminates as a result of his or her death, and provided Optionee's rights hereunder shall have vested pursuant to Section 2 hereof, Optionee's legal representative, his or her legatee, or the person who acquired the right to exercise this Option by reason of the death of the Optionee (individually, a "**Successor**") shall succeed to the Optionee's rights and obligations under this Option Agreement. After the death of the Optionee, only a Successor may exercise this Option.

6. Representations and Warranties of Optionee.

(a) Own Account for Investment. Optionee represents and warrants that this Option is being acquired by Optionee for Optionee's personal account, for investment purposes only, and not with a view to the distribution, resale or other disposition thereof. At no time was Optionee presented with or solicited by any publicly issued or circulated newspaper, mail, radio, television or other form of general advertising or solicitation in connection with the offer, sale and purchase of the Shares.

(b) Shares Unregistered. Optionee acknowledges that the Company may issue Shares upon the exercise of the Option without registering such Shares under the Securities Act of l933, as amended (the "**Securities Act**"), on the basis of certain exemptions from such registration requirement. Accordingly, Optionee agrees that his or her exercise of the Option may be expressly conditioned upon his or her delivery to the Company of an investment certificate including such representations and undertakings as the Company may reasonably require in order to assure the availability of such exemptions, including a representation that Optionee is acquiring the Shares for investment and not with a present intention of selling or otherwise disposing thereof and an agreement by Optionee that the certificates evidencing the Shares may bear a legend indicating such non-registration under the Securities Act and the resulting restrictions on transfer. Optionee acknowledges that, because Shares received upon exercise of an Option may be unregistered, Optionee may be required to hold the Shares indefinitely unless they are subsequently registered for resale under the Securities Act or an exemption from such registration is available.

(c) Agrees to Terms of the Plan. Optionee has received a copy of the Plan and has read and understands the terms of the Plan and this Option Agreement, and agrees to be bound by their terms and conditions. Optionee understands that all rights and obligations connected with this Option are set forth in this Option Agreement and in the Plan.

(d) SEC Rule 144. Optionee has been advised that Rule 144 promulgated under the Securities Act, which permits certain limited sales of unregistered securities, is not presently available with respect to the Shares and, in any event, requires that the Shares be held for a minimum of six (6) months, and in certain cases one (1) year, after they have been purchased and paid for (within the meaning of Rule 144). Optionee understands that use of a promissory note as payment for the Shares may not be deemed to be "full payment of the purchase price" within the meaning of Rule 144 unless certain conditions are met and that, accordingly, the Rule 144 holding period of such Shares may not begin to run until such Shares are fully paid for within the meaning of Rule 144. Optionee understands that Rule 144 may indefinitely restrict transfer of the Shares so long as Optionee remains an "affiliate" of the Company or if "current public information" about the Company (as defined in Rule 144) is not publicly available. Optionee understands that, in the case of securities to which Rule 144 is not applicable, compliance with some other exemption under the Securities Act will be required.

(e) Tax Consequences. Optionee acknowledges that there may be adverse tax consequences upon exercise of this Option or disposition of the Shares, and that Optionee should consult a tax adviser prior to such exercise or disposition. Optionee acknowledges that the Exercise Price has been determined by the Administrator based upon the best evidence available to the Administrator and is intended to equal the Fair Market Value of the Shares as of the date of grant, or in some cases 110% of Fair Market Value, as required by the Code. However, the tax treatment of this Option is not guaranteed. Optionee agrees to bear the entire risk of adverse tax consequences if this Option Agreement is later determined to be have been granted at below Fair Market Value and acknowledges and agrees that neither the Company, the Administrator nor any of their designees shall be liable for any taxes, penalties or other monetary amounts owed by the Optionee, employee, beneficiary or other person as a result of the grant, amendment, modification, exercise and/or payment of, or under, this Option Agreement, notwithstanding any challenge made to the determination of Fair Market Value by any taxing authority. Optionee represents that prior to purchase or disposition of the Shares, Optionee will consult with his/her own tax advisor who Optionee deems advisable in connection with the purchase or disposition of the Shares and Optionee is not relying on the Company for any tax advice. Attached is a brief summary of certain federal income tax consequences of receipt of a stock option, and Optionee acknowledges that receipt of this Option and participation in the Plan may have consequences under state and local tax laws which may vary from the federal tax consequences as attached.

(f) Personal Data. Optionee acknowledges and agrees to the collection, use and transfer, in electronic or other form, of Optionee's personal data in order to implement, administer and manage the Plan. Optionee acknowledges that the Company holds certain personal information regarding the Optionee (including, but not limited to, name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Awards or any other entitlement to Shares awarded, cancelled, purchased, exercised, vested, unvested or outstanding in Optionee's favor ("**Data**"). Optionee acknowledges that the Data may be transferred to any third-parties assisting in the implementation, administration and management of the Plan, that third-parties may be located in the United States or elsewhere. Optionee authorizes recipients of the Data to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Optionee's participation in the Plan, including any requisite transfer of such Data, as may be required to a broker or other third party with whom Optionee may elect to deposit any Shares acquired under the Plan. Optionee understands that the Data will be held only as long as is necessary to implement, administer and manage participation in the Plan. Optionee understands that he/she may view his/her Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Administer in writing. Optionee understands that refusing or withdrawing consent may affect Optionee's ability to participate in the Plan.

7. Transfer Limitations.

(a) General. The Optionee shall not assign, encumber or dispose of any interest in the Shares acquired pursuant to the exercise of this Option while the Shares are subject to the Company's Repurchase Right (as defined below). In the event the Repurchase Right expires

unexercised as to any Shares, or the Company releases any Shares from the Repurchase Right, the Optionee shall not assign, encumber or dispose of any interest in such Shares other than in compliance with the provisions of Section 6(b) hereof.

(b) Right of First Refusal.

(i) The Shares acquired pursuant to the exercise of this Option may be sold by the Optionee only in compliance with the provisions of this Section 7(b). Prior to any intended sale, Optionee shall first give written notice (the "**Offer Notice**") to the Company specifying (i) his or her bona fide intention to sell or otherwise transfer such Shares, (ii) the name and address of the proposed purchaser(s), (iii) the number of Shares the Optionee proposes to sell (the "Offered Shares"), (iv) the price for which he or she proposes to sell the Offered Shares, and (v) all other material terms and conditions of the proposed sale.

(ii) Within thirty (30) days after receipt of the Offer Notice, the Company or its nominee(s) may elect to purchase all or any portion of the Offered Shares at the price and on the terms and conditions set forth in the Offer Notice by delivery of written notice (the "**Acceptance Notice**") to the Optionee specifying the number of Offered Shares that the Company or its nominees elect to purchase. Within fifteen (15) days after delivery of the Acceptance Notice to the Optionee, the Company and/or its nominee(s) shall deliver to the Optionee payment of the amount of the purchase price of the Offered Shares to be purchased pursuant to this Section 7(b), against delivery by the Optionee of a certificate or certificates representing the Offered Shares to be purchased, duly endorsed for transfer to the Company or such nominee(s), as the case may be. Payment shall be made on the same terms as set forth in the Offer Notice or, at the election of the Company or its nominees(s), by check or wire transfer of funds. If the Company and/or its nominee(s) do not elect to purchase all of the Offered Shares, the Optionee shall be entitled to sell the balance of the Offered Shares to the purchaser(s) named in the Offer Notice at the price specified in the Offer Notice or at a higher price and on the terms and conditions set forth in the Offer Notice; provided, however, that such sale or other transfer must be consummated within sixty (60) days from the date of the Offer Notice and any proposed sale after such sixty-day period may be made only by again complying with the procedures set forth in this Section 7.

(iii) The Optionee may transfer all or any portion of the Shares to a trust established for the sole benefit of the Optionee and/or his or her spouse or children without such transfer being subject to the right of first refusal set forth in this Section 7, provided that the Shares so transferred shall remain subject to the terms and conditions of this Agreement and no further transfer of such Shares may be made without complying with the provisions of this Section 7.

(iv) Any Successor of Optionee pursuant to Section 5 hereof, and any transferee of the Shares pursuant to this Section 7, shall hold the Shares subject to the terms and conditions of this Agreement and no further transfer of the Shares may be made without complying with the provisions of this Section 7.

(v) The rights provided the Company and its nominee(s) under this Section 7 shall terminate upon the closing of the initial public offering of shares of the Company's Common Stock pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act.

(c) Binding on Successors and Transferees. Any Successor of Optionee pursuant to Section 5 hereof, and any transferee of the Shares pursuant to this Section 7, shall hold the Shares subject to the terms and conditions of this Option Agreement and no further transfer of the Shares may be made without complying with the provisions of this Option Agreement and the Stockholders Agreement.

(d) Termination of Rights. The rights provided the Company and its nominee(s) under this Section 7 shall terminate upon the closing of the initial public offering of shares of the Company's Common Stock pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act.

(e) Assignment of Rights. The Company may assign its rights under this Section 7 without the consent of the Optionee.

8. Company's Repurchase Right.

(a) Repurchase Right. In the event of a termination an Optionee's Continuous Service for Cause, the Company shall have the right to repurchase all vested and unvested shares of Common Stock acquired pursuant to the exercise of an Option at the Repurchase Price (defined below). Upon termination for any reason other than for Cause, the Company shall have the right to repurchase any unvested Shares acquired pursuant to the exercise of an Option at the Repurchase Price. The Repurchase Right may be exercised at any time during the period commencing on the date of termination of Optionee's Continuous Service and ending ninety (90) days after the last to occur of the following:

(i) the termination of Optionee's Continuous Service;

(ii) the expiration of Optionee's right to exercise this Option pursuant to Section 3 hereof; or

(iii) in the event of Optionee's death, receipt by the Company of notice of the identity and address of Optionee's Successor (as defined in Section 5 hereof).

(b) Repurchase Price. Repurchase will be at the Exercise Price Optionee paid to acquire the Shares and will be effected pursuant to such other terms and conditions, and at such time, as the Company shall determine.

(c) Notice of Exercise. Written notice of exercise of the Repurchase Right, stating the number of Shares to be repurchased and the Repurchase Price per Share, shall be given by the Company to the Optionee or his or her Successor, as the case may be, during the period specified in Section 8(a) above.

(d) Method of Settlement. The Repurchase Price shall be payable, at the option of the Company, by cash or check, by cancellation of all or a portion of any outstanding indebtedness of Optionee to the Company, or by any combination thereof. The Repurchase Price shall be paid without interest within thirty (30) days after delivery of the notice of exercise of the Repurchase Right, against delivery by the Optionee or his or her Successor of a certificate or certificates representing the Shares to be repurchased, duly endorsed for transfer to the Company.

(e) Assignment of Right. The Company may assign its Repurchase Right under this Section 8 without the consent of the Optionee.

9. Restrictive Legends.

(a) Optionee hereby acknowledges that federal securities laws and the securities laws of the state in which he or she resides may require the placement of certain restrictive legends upon the Shares issued upon exercise of this Option. Optionee understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933; THEY HAVE BEEN ACQUIRED BY THE HOLDER FOR INVESTMENT AND MAY NOT BE PLEDGED, HYPOTHECATED, SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT AS MAY BE AUTHORIZED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER."

(b) In addition, all stock certificates evidencing the Shares shall be imprinted with a legend substantially as follows:

"THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER, REPURCHASE RIGHTS AND A RIGHT OF FIRST REFUSAL IN FAVOR OF THE CORPORATION AND/OR ITS NOMINEE(S), AS SET FORTH IN A STOCK OPTION AGREEMENT, TRANSFER OF THESE SHARES MAY BE MADE ONLY IN COMPLIANCE WITH THE PROVISIONS OF SAID AGREEMENT, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF SAID CORPORATION. SUCH TRANSFER RESTRICTIONS, REPURCHASE RIGHTS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES."

10. Adjustments Upon Changes in Capital Structure. In the event that the outstanding shares of Common Stock of the Company are hereafter increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of a recapitalization, stock split, combination of shares, reclassification, stock dividend or other change in the capital structure of the Company, then appropriate adjustment shall be made by the Administrator to the number of Shares subject to the unexercised portion of this Option and to the Exercise Price per share, in order to preserve, as nearly as practical, but not to increase, the benefits of the Optionee under this Option, in accordance with the provisions of Section 4.2 of the Plan. Notwithstanding anything in this Option Agreement to the contrary, as provided in Section 8.3 of the Plan, (a) any adjustments made pursuant to this Section 10 to Options that are considered "deferred compensation" within the meaning of Section 409A of the Code shall be made in compliance with the requirements of Section 409A of the Code; (b) any adjustments made pursuant to this Section 10 to Options that are not considered "deferred compensation" subject to Section 409A of the Code shall be made in such a manner as to ensure that after such adjustment the Options either (i) continue not to be subject to Section 409A of the Code or (ii) comply with the requirements of Section 409A of the Code; and

(c) in any event, the Administrator shall not have the authority to make any adjustments pursuant to this Section 10 to the extent the existence of such authority would cause an Option that is not intended to be subject to Section 409A of the Code at the time of grant to be subject thereto.

11. Change in Control. In the event of a Change in Control (as defined in the Plan) the right to exercise this Option shall accelerate automatically and vest in full (notwithstanding the provisions of Section 2 above) effective as of immediately prior to the consummation of the Change in Control. If vesting of this Option will accelerate pursuant to the preceding sentence, the Administrator in its discretion may provide, in connection with the Change in Control transaction, for the purchase or exchange of this Option for an amount of cash or other property having a value equal to the difference (or "**spread**") between: (x) the value of the cash or other property that the Optionee would have received pursuant to the Change in Control transaction in exchange for the Shares issuable upon exercise of this Option had this Option been exercised immediately prior to the Change in Control, and (y) the aggregate Exercise Price for such Shares. If the vesting of this Option will accelerate pursuant to this subsection (a), then the Administrator shall cause written notice of the Change in Control transaction to be given to the Optionee not less than fifteen (15) days prior to the anticipated effective date of the proposed transaction.

12. No Retention Rights. Nothing in this Option Agreement shall obligate the Company or any Affiliated Company, or their respective stockholders, directors, officers or employees, to continue any relationship that Optionee might have as a director, employee, Consultant or other Service Provider of the Company. The right of the Company or any Affiliated Company to terminate at will Optionee's employment at any time (whether by dismissal, discharge or otherwise), with or without Cause, is specifically reserved. Moreover, the Optionee acknowledges and agrees that the vesting of right to exercise the Option pursuant to this Option Agreement is earned only by continuing service as a service provider at will. The Optionee further acknowledges and that this Option Agreement, the transactions contemplated hereunder and the vesting schedule, if any, do not constitute an express or implied promise of continued employment or engagement as a service provider for the vesting period, or for any period at all, and shall not interfere with the Optionee's right or the Company's or Affiliated Company's right to terminate the Optionee's relationship with the Company or Affiliated Company at any time, with or without Cause or notice.

13. Rights as Stockholder. The Optionee (or transferee of this option by will or by the laws of descent and distribution) shall have no rights as a stockholder with respect to any Shares covered by this Option until such person has duly exercised this Option, paid the Exercise Price and become a holder of record of the Shares purchased.

14. "Market Stand-Off" Agreement. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, the Optionee or a transferee shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Shares without the prior written consent of the Company or its managing underwriter. Such restriction (the "**Market Stand-Off**") shall be in effect for such period of time following the date of the final prospectus for the offering as may be requested by the Company or such underwriter. In no event, however, shall such period exceed one hundred eighty (180) days plus such additional period as may reasonably be requested by the Company or such underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports or

(ii) analyst recommendations and opinions, including (without limitation) the restrictions set forth in Rule 2711(f)(4) of the National Association of Securities Dealers and Rule 472(f)(4) of the New York Stock Exchange, as amended, or any similar successor rules promulgated by the Financial Industry Regulatory Authority, Inc. In the event of the declaration of a stock dividend, a spin off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. Optionee or transferee further agrees to execute and deliver such other agreements as may be reasonably requested by the Company and/or the underwriter(s) that are consistent with the foregoing or that are necessary to give further effect thereto. In addition, if reasonably requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, Optionee or transferee shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Option Agreement until the end of the applicable stand-off period. The Company's underwriters shall be beneficiaries of the agreement set forth in this Section 15.

15. Interpretation. This Option is granted pursuant to the terms of the Plan, and shall in all respects be interpreted in accordance therewith. To the extent of any conflict or ambiguity between the terms of the this Option Agreement and the Plan, the terms of the Plan shall govern, and the Administrator shall interpret and construe this Option Agreement and the Plan, and any action, decision, interpretation or determination made in good faith by the Administrator shall be final and binding on the Company and the Optionee.

16. Notices. Any notice, demand, offer, request or other communication required or permitted to be given by either the Company or the Optionee pursuant to the terms of this Option Agreement shall be in writing and shall be deemed effectively given the earlier of (a) when received, (b) when delivered personally, (c) one business day after being delivered by facsimile (with receipt of appropriate confirmation), (d) one business day after being deposited with an overnight courier service, or (e) four days after being deposited in the U.S. mail, First Class with postage prepaid and return receipt requested, and addressed to the parties at the addresses provided to the Company (which the Company agrees to disclose to the other parties upon request) or such other address as a party may request by notifying the other in writing.

17. Governing Law. The validity, construction, interpretation, and effect of this Option shall be governed by and determined in accordance with the laws of the State of Delaware without regard for conflicts of laws principles.

18. Severability. Should any provision or portion of this Option Agreement be held to be unenforceable or invalid for any reason, the remaining provisions and portions of this Option Agreement shall be unaffected by such holding.

19. Attorneys' Fees. If any party shall bring an action in law or equity against another to enforce or interpret any of the terms, covenants and provisions of this Option Agreement, the prevailing party in such action shall be entitled to recover reasonable attorneys' fees and costs.

20. Counterparts. This Option Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall be deemed one instrument.

21. Reliance on Counsel and Advisors. The Optionee acknowledges that he or she has had the opportunity to review this Option Agreement, including all attachments hereto, and the transactions contemplated by this Option Agreement with his or her own legal counsel, tax advisors and other advisors. The Optionee is relying solely on his or her own counsel and advisors and not on any statements or representations of the Company or its agents for legal or other advice with respect to this investment or the transactions contemplated by this Option Agreement.

22. Confidentiality. Optionee agrees and acknowledges that the terms and conditions of this Option Agreement are confidential and shall not be disclosed to any third party other than the (a) Administrator of the Plan, the Company's Chief Executive Officer, or the Company's Chief Financial Officer and (b) Optionee's professional advisors.

23. California Corporate Securities Law. The sale of the shares that are the subject of this Option Agreement has not been qualified with the Commissioner of Corporations of the State of California and the issuance of such shares or the payment or receipt of any part of the consideration therefor prior to such qualification is unlawful, unless the sale of such shares is exempt from such qualification by Section 25100, 25102 or 25105 of the California Corporate Securities Law of l968, as amended. The rights of all parties to this Option Agreement are expressly conditioned upon such qualification being obtained, unless the sale is so exempt.

24. 409A Waiver. Optionee agrees to all terms and conditions as described in the waiver attached in **Exhibit C**, which is incorporated into this Option Agreement by this reference.

25. Additional Agreements. Optionee hereby agrees that if required by the Administrator, (a) any Common Stock issuable upon exercise of this Option that is required to be bound by the Voting Agreement dated as of March 27, 2014, and as has been amended from time-to-time, (collectively the "Voting Agreement"), shall be bound by and subject to the terms of the Voting Agreement, and (b) the Voting Agreement shall be adopted by the Optionee with the same force and effect as if the Optionee were originally a party thereto.

EXHIBIT A

NOTICE OF EXERCISE OF

STOCK OPTION AND INVESTMENT REPRESENTATIONS

Name of Optionee: _____

Axonics Modulation Technologies, Inc. [Insert Company Address]
Attention: _____

Ladies and Gentlemen:

I hereby exercise my option (the "**Option**") to purchase shares of Common Stock, $0.0001 par value per share (the "**Shares**"), of Axonics Modulation Technologies, Inc., a Delaware corporation (the "**Company**"), pursuant to the Stock Option Agreement, dated _____, 201_, granted to me under the Company's 2014 Stock Incentive Plan. The number of Shares that I am purchasing at this time is set forth below, and my check payable to the Company in the amount of the Total Exercise Price is enclosed with this Notice of Exercise:

Number of Shares purchased hereby: **_____**

Exercise Price per Share: **$_____**

Total Exercise Price: **$_____**

In connection with the exercise of my Option, I hereby represent to the Company that:

1. I am acquiring the Shares for my own account, for investment purposes only, and not with a view to the distribution, resale or other disposition thereof.

2. I understand that the Shares are being issued by the Company without having first registered them under the Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state, on the basis of certain exemptions from such registration requirements which depend, in part, upon the truth and accuracy of my representations made herein.

3. Without in any way limiting the representations set forth above, I agree that I will not dispose of any interest in the Shares unless and until (a) I shall have notified the Company of the proposed disposition; (b) I shall have furnished the Company with an opinion of counsel to the effect that such disposition will not require registration under the Securities Act, and (c) such opinion of counsel shall have been concurred in by the Company's counsel.

4. I acknowledge receipt of all information as I deem necessary and appropriate to enable me to evaluate the merits and risks of my investment in the Shares, including information concerning the business and financial condition of the Company, and that I have had the opportunity to discuss such information with, and ask questions of, an officer of the Company.

5. I am an investor of sufficient sophistication and experience to make an informed investment decision regarding my purchase of the Shares, and I am able to bear the economic risk of an investment in the Shares. I am aware of the highly speculative nature of the investment in the Shares; the financial hazards involved; the lack of liquidity of the Shares and the restrictions on transferability of the Shares (e.g., that I may not be able to sell or dispose of the Shares or use them as collateral for loans); the qualifications and backgrounds of the management of the Company; and the tax consequences of investment in the Shares.

6. I recognize that the Shares must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available, and further recognize that the Company is under no obligation to register the Shares or to comply with any exemption from such registration.

7. I have been advised that Rule 144 promulgated under the Securities Act, which permits certain limited sales of unregistered securities, is not presently available with respect to the Shares and, in any event, requires that the Shares be held for a minimum of three (3) months, and in certain cases one (1) year, after they have been purchased and paid for (within the meaning of Rule 144). I understand that use of a promissory note as payment for the Shares may not be deemed to be "full payment of the purchase price" within the meaning of Rule 144 unless certain conditions are met and that, accordingly, the Rule 144 holding period of such Shares may not begin to run until such Shares are fully paid for within the meaning of Rule 144. I understand that Rule 144 may indefinitely restrict transfer of the Shares so long as I remain an "affiliate" of the Company or if "current public information" about the Company (as defined in Rule 144) is not publicly available. I further understand that, in the case of securities to which Rule 144 is not applicable, compliance with some other exemption under the Securities Act will be required.

«First_Name» «Last_Name» (*Signature*)

Date

EXHIBIT B

[NOT APPLICABLE: FORM OF RESTRICTED STOCK PURCHASE AGREEMENT]

EXHIBIT C

CODE SECTION 409A WAIVER AND RELEASE

THIS WAIVER AND RELEASE ("Waiver") is made as of this _____ day of _____, 201__, by the Optionee holding an option to purchase shares of Common Stock, $0.0001 par value per share (the "Shares"), of Axonics Modulation Technologies, Inc., a Delaware corporation (the "Company"), pursuant to the Stock Option Agreement, dated _____, 201_, granted under the Company's 2014 Stock Incentive Plan as amended from time to time (the "Plan").

All capitalized terms in this Waiver shall have the meaning assigned to them in the Plan.

Optionee hereby agrees and acknowledges that the Board has taken reasonable steps to value the Common Stock and to set the Exercise Price at the Fair Market Value per share of Shares on the Grant Date so that the Option will not be treated as an item of deferred compensation subject to Code Section 409A. Were the Internal Revenue Service to conclude that the Option is subject to Code Section 409A, then Optionee would be subject the following adverse tax consequences:

(i) As the Option vests, Optionee would immediately recognize taxable income for federal income tax purposes equal to the amount by which the fair market value of the Shares with respect to which the Options vest at that time exceeds the Exercise Price payable for those shares. The Company would also have to collect from Optionee the federal income and employment taxes which must be withheld on that income. Taxation would occur in this manner even though the Option remains unexercised.

(ii) Optionee may also be subject to additional income taxation and withholding taxes on any subsequent increases to the fair market value of the Common Stock purchasable under the vested Option until the Option is exercised or cancelled as to those shares.

(iii) In addition to normal income taxes payable as the Option vests, Optionee would also be subject to an additional tax penalty equal to 20% of the amount of income Optionee recognizes under Code Section 409A when the Option vests and may also be subject to such penalty as the underlying shares subsequently increase in fair market value over the period the Option continues to remain outstanding.

(iv) There will also be interest penalties if the resulting taxes are not paid on a timely basis.

Optionee hereby further agrees and acknowledges that Optionee will incur the same tax consequences, including (without limitation) a second 20% penalty tax, under California income tax laws if Optionee is a resident of the State of California or is otherwise subject to California income taxation. If the Optionee is a resident of any other State, he or she accepts the risk of any unfavorable tax consequences under the laws of that State.

Optionee hereby agrees to bear the entire risk of such adverse federal and State tax consequences in the event the Option is deemed to be subject to Code Section 409A and hereby knowingly and voluntarily, in consideration for the grant of the Option, waives and releases any and all claims or causes of action that Optionee might otherwise have against the Company and/or its Board, officers, employees or stockholders arising from or relating to the tax treatment of the Option

under Code Section 409A and the corresponding provisions of any applicable State income tax laws (including, without limitation, California income tax laws) and shall not seek any indemnification or other recovery of damages against the Company and/or its Board, officers, employees or stockholders with respect to any adverse federal and State tax consequences or other related costs and expenses Optionee may in fact incur under Code Section 409A (or the corresponding provisions of State income tax laws) as a result of the Option.

(Signature)

AXONICS MODULATION TECHNOLOGIES, INC.

RESTRICTED STOCK PURCHASE AGREEMENT

The Board of Directors of Axonics Modulation Technologies, Inc., a Delaware corporation (the "**Company**"), has approved a grant to «First_ Name» «Last_ Name», an individual (the "**Participant**"), of restricted shares of Common Stock of the Company, $0.0001 par value per share (the "**Shares**"), pursuant to the Company's 2014 Stock Incentive Plan (the "**Plan**") and this Restricted Stock Purchase Agreement (the "Purchase Agreement"), as follows:

Grant Date	«Grant Date»
Total Number of Shares	«Total Number of Shares» Shares
Purchase Price Per Share	«Purchase_ Price per_ Share»
Total Purchase Price	$_____
Vesting Commencement Date	«Vesting_Commencement_Date»
Vesting Schedule	«Vesting_Schedule»

By their signatures below, the Company and the Participant agree that the Shares are subject to this Purchase Agreement, including the Additional Terms and Conditions (the "**Terms**") attached hereto and incorporated herein as part of this Purchase Agreement, and the provisions of the Plan. In the event there is a conflict or inconsistency between any provision in this Purchase Agreement and one or more provisions of the Plan, the provisions of the Plan shall govern. Capitalized terms used in this Purchase Agreement that are not otherwise defined herein shall have the same meanings as defined in the Plan. The Participant acknowledges receipt of copies of both this Purchase Agreement (including the Terms) and the Plan, and hereby accepts the Shares subject to all of their terms and conditions.

PARTICIPANT

«First Name» «Last Name»

_____
Signature

_____
Date

_____
Address

COMPANY

Axonics Modulation Technologies, Inc.

By: _____
[Insert Name and Title]

Address: _____
_____

Attachments: Additional Terms and Conditions; Stock Assignment Separate from Certificate; Form of IRC Section 83(b) Election; Axonics Modulation Technologies, Inc. 2014 Stock Incentive Plan.

ADDITIONAL TERMS AND CONDITIONS

The terms and conditions set forth below constitute part of the Restricted Stock Purchase Agreement to which they are attached, and references herein to the "Purchase Agreement" include both documents as one agreement.

1. Issuance of Shares and Consideration. The Company agrees to issue to the Participant the number of Shares at the purchase price per share (the "**Purchase Price**") stated on the first page of this Purchase Agreement, which Purchase Price shall be paid by any of the following methods of payment

(a) cash or check;

(b) cancellation of indebtedness of the Company to the Optionee;

(c) delivery by Optionee to the Company of a full recourse promissory note in such form as reasonably approved by the Company;

(d) waiver of compensation due to and accrued to the Optionee for services rendered;

(e) such other form of consideration as may be approved by the Administrator from time to time to the extent permitted by applicable law; and

(f) any combination of the foregoing.

2. Vesting of Shares. Subject to Section 3(f) below, the Shares acquired hereunder shall vest and become "**Vested Shares**" as set forth on the first page of this Purchase Agreement. Shares which have not yet become vested are herein called "Unvested Shares." Shares which have not yet become vested are herein called "**Unvested Shares**." No additional shares shall vest after the date of termination of Participant's Continuous Service. For these purposes, the "**Vesting Commencement Date**" shall be as set forth on the first page of this Purchase Agreement.

For purposes of this Purchase Agreement, the term "**Continuous Service**" means (a) Participant's employment by either the Company or any Affiliated Company, or by a successor entity following a Change in Control, which is uninterrupted except for vacations, illness (not including Disability), or leaves of absence which are approved in writing by the Company or any of such other employer corporations, as applicable, (b) service as a member of the Board until the Participant resigns, is removed from office, or Participant's term of office expires and he or she is not reelected, or (c) so long as the Participant is engaged as a Consultant or other Service Provider.

3. Reconveyance Upon Termination of Service.

(a) Repurchase Right. The Company shall have the right (but not the obligation) to repurchase (the "**Repurchase Right**") any or all of the Shares in the event that the Participant's Continuous Service terminates for any reason (such date of termination of Continuous Service, the "**Termination Date**"). Upon exercise of the Repurchase Right, the Participant shall be obligated to sell his or her Shares to the Company, as provided in this Section 3. In the event the Company does not exercise the Repurchase Right with respect to all of the Shares, the Company shall nevertheless continue to have the "right of first refusal" (the "**Right of First Refusal**") with respect to any remaining Shares during the period and as set forth in Section 4 below.

(b) Repurchase Price. The repurchase price of the Shares (the "**Repurchase Price**") shall be determined as follows:

(i) the Repurchase Price for any Vested Shares shall be equal to the Fair Market Value (as determined in accordance with the Plan) of such Vested Shares as of the Termination Date; and

(ii) the Repurchase Price for any Unvested Shares shall be equal to the lesser of (1) the original Purchase Price of such Unvested Shares, or (2) the Fair Market Value (as determined in accordance with the Plan) of such Unvested Shares as of the Termination Date.

(c) Procedure for Exercise of Reconveyance Option. For ninety (90) days after the Termination Date or other event described in this Section 3, the Company may exercise the Repurchase Right by giving Participant and/or any other person obligated to sell the Shares written notice of the number of Shares which the Company desires to purchase; provided, however, the Company shall automatically repurchase all Unvested Shares as of the Termination Date, without notice or further action on the part of the Company being necessary, unless the Company affirmatively elects not to repurchase some or all of such Unvested Shares. The Repurchase Price for the Shares (as determined pursuant to Section 3(b)) shall be payable, at the option of the Company, by cash or check, by cancellation of all or a portion of any outstanding indebtedness of Participant to the Company, or by any combination thereof. In the event the Company does not exercise the Repurchase Right with respect to all of the Shares, the Company shall nevertheless continue to have the Right of First Refusal with respect to any such remaining Shares as set forth in Section 4(b).

(d) Notification and Settlement. In the event that the Company has elected to exercise the Repurchase Right as to part or all of the Shares within the period described above, Participant or such other person shall deliver to the Company certificate(s) representing the Shares to be acquired by the Company within thirty (30) days following the date of the notice from the Company. The Company shall deliver to Participant against delivery of the Shares, a check of the Company, or such other form of payment permitted under Section 3(c), payable to Participant and/or any other person obligated to transfer the Shares in the aggregate amount of the Repurchase Price to be paid as set forth in Section 3(b) above.

(e) Escrow of Shares. For purposes of facilitating the enforcement of the provisions of this Section 3, Participant agrees, immediately upon receipt of certificate(s) for any Shares, to deliver such certificate(s), together with a Stock Assignment Separate from Certificate in the form attached to this Purchase Agreement as **Exhibit A**, duly executed, in blank, to the Secretary of the Company, or the Secretary's designee, to hold such certificate(s) and Stock Assignment Separate from Certificate in escrow and to take all such actions and to effectuate all such transfers and/or releases as are in accordance with the terms of this Purchase Agreement. Participant hereby acknowledges that the Secretary of the Company, or the Secretary's designee, is so appointed as the escrow holder with the foregoing authorities as a material inducement to make this Purchase Agreement and that said appointment is coupled with an interest and is accordingly irrevocable. Participant agrees that said escrow holder shall not be liable to any party hereof (or to any other party). The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Participant agrees that if the Secretary of the Company, or the Secretary's designee, resigns as escrow holder for any or no reason, the Administrator shall have the power to appoint a successor to serve as escrow holder pursuant to the terms of this Purchase Agreement. Participant shall be entitled to vote and to receive dividends and distributions on all such deposited Shares.

(f) Termination. The Repurchase Right shall terminate as follows:

(i) In accordance with Section 3(g) below; and

(ii) Upon the closing of an initial public offering (a "**Public Offering**") of shares of the Company's Common Stock pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act").

(g) Change in Control. Notwithstanding Section 2, if Participant holds Shares at the time a Change in Control occurs, all Repurchase Rights shall automatically terminate immediately prior to the consummation of such Change in Control and the Shares subject to those terminated Repurchase Rights shall immediately vest in full.

(h) Involuntary Transfers. If the Participant: (i) files a voluntary petition under any bankruptcy or insolvency law or a petition for the appointment of a receiver or makes an assignment for the benefit of creditors; (ii) is subjected involuntarily to such a petition or assignment or to an attachment or other legal or equitable interest with respect to the Shares and such involuntary petition or assignment or attachment is not discharged within sixty (60) days after its date; or (iii) is required to transfer the Shares by operation of law or by order or decree of any court, then the Company shall have the option to exercise the Repurchase Right, whether or not the Continuous Service of the Participant shall then have terminated.

(i) Assignment of Repurchase Right. The Company may assign its Repurchase Right under this Section 3 without the consent of the Participant.

4. Transfer Limitations.

(a) General. The Participant shall not assign, encumber or dispose of any interest in the Shares while the Shares are subject to the Company's Repurchase Right. In the event the Repurchase Right expires unexercised as to any Shares, or the Company releases any Shares from the Repurchase Right, the Participant shall not assign, encumber or dispose of any interest in such Shares other than in compliance with the provisions of Section 4 hereof.

(b) Right of First Refusal.

(i) The Shares acquired hereunder may be sold by the Participant only in compliance with the provisions of this Section 4(b). Prior to any intended sale, Participant shall first give written notice (the **"Offer Notice**") to the Company specifying (i) his or her bona fide intention to sell or otherwise transfer such Shares, (ii) the name and address of the proposed purchaser(s), (iii) the number of Shares the Participant proposes to sell (the **"**Offered Shares"), (iv) the price for which he or she proposes to sell the Offered Shares, and (v) all other material terms and conditions of the proposed sale.

(ii) Within 30 days after receipt of the Offer Notice, the Company or its nominee(s) may elect to purchase all or any portion of the Offered Shares at the price and on the terms and conditions set forth in the Offer Notice by delivery of written notice (the **"Acceptance Notice**") to the Participant specifying the number of Offered Shares that the Company or its nominees elect to purchase. Within 15 days after delivery of the Acceptance Notice to the Optionee, the Company and/or its nominee(s) shall deliver to the Participant payment of the amount of the purchase price of the Offered Shares to be purchased pursuant to this Section 4(b), against delivery by the Participant of a certificate or certificates representing the Offered Shares to be purchased, duly endorsed for transfer to the Company or such nominee(s), as the case may be. Payment shall be made on the same terms as set forth in the Offer Notice or, at the election of the Company or its nominees(s), by check or wire transfer of funds. If the

Company and/or its nominee(s) do not elect to purchase all of the Offered Shares, the Participant shall be entitled to sell the balance of the Offered Shares to the purchaser(s) named in the Offer Notice at the price specified in the Offer Notice or at a higher price and on the terms and conditions set forth in the Offer Notice; provided, however, that such sale or other transfer must be consummated within 60 days from the date of the Offer Notice and any proposed sale after such 60-day period may be made only by again complying with the procedures set forth in this Section 4.

(iii) The Participant may transfer all or any portion of the Shares to a trust established for the sole benefit of the Participant and/or his or her spouse or children without such transfer being subject to the right of first refusal set forth in this Section 4, provided that the Shares so transferred shall remain subject to the terms and conditions of this Agreement and no further transfer of such Shares may be made without complying with the provisions of this Section 4.

(iv) Any Successor of Participant and any transferee of the Shares pursuant to this Section 4, shall hold the Shares subject to the terms and conditions of this Agreement and no further transfer of the Shares may be made without complying with the provisions of this Section 4.

(v) The rights provided the Company and its nominee(s) under this Section 4 shall terminate upon the closing of the initial public offering of shares of the Company's Common Stock pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act.

(c) Binding on Transferees. Any transferee of the Shares, shall hold the Shares subject to the terms and conditions of this Purchase Agreement and no further transfer of the Shares may be made without complying with the provisions of this Section 4.

(d) Legend. Until such time as the Company's Right of First Refusal lapses and ceases to have effect pursuant to the provisions of Section 4(f), the stock certificates for the Shares purchased pursuant to this Purchase Agreement shall be endorsed with the following legend:

> "THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED OR ENCUMBERED, EXCEPT IN CONFORMITY WITH THE TERMS OF A RESTRICTED STOCK PURCHASE AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER OF THE SHARES (OR HIS PREDECESSOR IN INTEREST). SUCH AGREEMENT GRANTS CERTAIN RIGHTS OF FIRST REFUSAL TO THE COMPANY (OR ITS NOMINEE(S)) UPON THE SALE, ASSIGNMENT, TRANSFER, PLEDGE OR ENCUMBRANCE OF THE SHARES. A COPY OF SUCH AGREEMENT IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY."

(e) Termination of Rights. The rights provided the Company and its nominee(s) under this Section 4 shall terminate upon the consummation of a Public Offering as defined in Section 3(f) above, or immediately prior to the consummation of a Change in Control whereupon the Shares will be exchanged for shares of a successor corporation, which shares are Publicly Held (as defined in the Plan).

(f) Assignment of Rights. The Company may assign its rights under this Section 4 without the consent of the Participant.

5. Adjustments Upon Changes in Capital Structure. In the event that the outstanding shares of Common Stock of the Company are hereafter increased or decreased or changed into or

exchanged for a different number or kind of shares or other securities of the Company by reason of a recapitalization, stock split, combination of shares, reclassification, stock dividend, or other change in the capital structure of the Company, then Participant shall be entitled to new or additional or different shares of stock or securities, in order to preserve, as nearly as practical, but not to increase, the benefits of Participant under this Purchase Agreement, in accordance with the provisions of Section 4.2 of the Plan. Such new, additional or different shares shall be deemed "Shares" for purposes of this Purchase Agreement and subject to all of the terms and conditions hereof. Notwithstanding anything in this Purchase Agreement to the contrary, as provided in Section 8.3 of the Plan, (a) any adjustments made pursuant to this Section 5 to Restricted Stock awards that are considered "deferred compensation" within the meaning of Section 409A of the of the Internal Revenue Code of 1986, as amended (the "**Code**") shall be made in compliance with the requirements of Section 409A of the Code; (b) any adjustments made pursuant to this Section 5 to Restricted Stock awards that are not considered "deferred compensation" subject to Section 409A of the Code shall be made in such a manner as to ensure that after such adjustment the Restricted Stock awards either (i) continue not to be subject to Section 409A of the Code or (ii) comply with the requirements of Section 409A of the Code; and (c) in any event, the Administrator shall not have the authority to make any adjustments pursuant to this Section 5 to the extent the existence of such authority would cause Restricted Stock awards that are not intended to be subject to Section 409A of the Code at the time of grant to be subject thereto.

6. Shares Free and Clear. All Shares purchased by the Company pursuant to this Purchase Agreement shall be delivered by Participant free and clear of all claims, liens and encumbrances of every nature (except the provisions of this Purchase Agreement and any conditions concerning the Shares relating to compliance with applicable federal or state securities laws), and the purchaser thereof shall acquire full and complete title and right to all of the shares, free and clear of any claims, liens and encumbrances of every nature (again except for the provisions of this Purchase Agreement and such securities laws).

7. Investment Representations. The Participant acknowledges that he or she is aware that the Shares to be issued to him or her by the Company pursuant to this Purchase Agreement have not been registered under the Securities Act. In this connection, the Participant warrants and represents to the Company as follows:

(a) Participant is purchasing the Shares solely for the Participant's own account for investment and not with a view to or for sale or distribution of the Shares or any portion thereof and not with any present intention of selling, offering to sell or otherwise disposing of or distributing the Shares or any portion thereof. The Participant also represents that the entire legal and beneficial interest of the Shares the Participant is purchasing is being purchased for, and will be held for the account of, the Participant only and neither in whole nor in part for any other person.

(b) Participant has heretofore discussed the Company and its plans, operations and financial condition with its officers and that the Participant has heretofore received all such information as the Participant deems necessary and appropriate to enable the Participant to evaluate the financial risk inherent in making an investment in the Shares of the Company and the Participant further represents and warrants that the Participant has received satisfactory and complete information concerning the business and financial condition of the Company in response to all inquiries in respect thereof.

(c) The Participant realizes that the purchase of the Shares is a highly speculative investment and represents that the Participant is able, without impairing the Participant's financial condition, to hold the Shares for an indefinite period of time and to suffer a complete loss on the investment.

(d) The Company hereby discloses to the Participant and the Participant hereby acknowledges that:

(i) the offer and sale of the Shares have not been registered under the Securities Act, and such Shares must be held indefinitely unless a transfer of them is subsequently registered under the Securities Act, or an exemption from such registration is available;

(ii) the share certificate representing the Shares will be stamped with the legends restricting transfer specified in this Purchase Agreement; and

(iii) the Company will make a notation in its records of the aforementioned restrictions on transfer and legends.

(e) The Participant understands that the Shares are restricted securities within the meaning of Rule 144 promulgated under the Securities Act and that any sale of the Shares may be made by him or her only in compliance with the terms and conditions of Rule 144.

(f) Without in any way limiting any of the other provisions of this Purchase Agreement or its representations set forth above, the Participant further agrees that the Participant shall in no event make any disposition of all or any portion of the Shares which the Participant is purchasing unless and until:

(i) there is then in effect a Registration Statement under the Securities Act, covering such proposed disposition and such disposition is made in accordance with said Registration Statement; or

(ii) (A) the Participant shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, (B) the Participant shall have furnished the Company with an opinion of counsel to the effect that such disposition will not require registration of such shares under the Securities Act, and (C) such opinion of counsel shall have been concurred in by counsel for the Company and the Company shall have advised the Participant of such concurrence.

8. Limitation of Company's Liability for Nonissuance; Unpermitted Transfers.

(a) The Company agrees to use its reasonable best efforts to obtain from any applicable regulatory agency such authority or approval as may be required in order to issue and sell the Shares to Participant pursuant to this Purchase Agreement. The inability of the Company to obtain, from any such regulatory agency, authority or approval deemed by the Company's counsel to be necessary for the lawful issuance and sale of the Shares hereunder and under the Plan shall relieve the Company of any liability in respect of the nonissuance or sale of such Shares as to which such requisite authority or approval shall not have been obtained.

(b) The Company shall not be required to: (i) transfer on its books any Shares of the Company which shall have been sold or transferred in violation of any of the provisions set forth in this Purchase Agreement, or (ii) treat as owner of such Shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom such Shares shall have been so transferred. In the event of a sale of Shares by the Participant in accordance with this Agreement, the Participant shall furnish to the Company proof that such sale was made in compliance with the provisions of this as to price and general terms of such sale.

9. Notices. Any notice, demand, offer, request or other communication required or permitted to be given by either the Company or the Participant pursuant to the terms of this Purchase Agreement shall be in writing and shall be deemed effectively given the earlier of (i) when received, (ii) when delivered personally, (iii) one business day after being delivered by facsimile (with receipt of appropriate confirmation), (iv) one business day after being deposited with an overnight courier service or (v) four days after being deposited in the U.S. mail, First Class with postage prepaid and return receipt requested, and addressed to the parties at the addresses provided to the Company (which the Company agrees to disclose to the other parties upon request) or such other address as a party may request by notifying the other in writing.

10. Binding Obligations. All covenants and agreements herein contained by or on behalf of any of the parties hereto shall bind and inure to the benefit of the parties hereto and their permitted successors and assigns.

11. Captions and Section Headings. Captions and section headings used herein are for convenience only, and are not part of this Purchase Agreement and shall not be used in construing it.

12. Amendment. This Purchase Agreement may not be amended, waived, discharged, or terminated other than by written agreement of the parties.

13. Entire Agreement. This Purchase Agreement and the Plan shall constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior or contemporaneous written or oral agreements and understandings of the parties, either express or implied. To the extent of any conflict or ambiguity between the terms of this Purchase Agreement and the Plan, the terms of the Plan shall govern, and the Administrator shall interpret and construe this Purchase Agreement and the Plan, and any action, decision, interpretation or determination made in good faith by the Administrator shall be final and binding on the Company and the Participant.

14. Assignment. Participant shall have no right, without the prior written consent of the Company, to (a) sell, assign, mortgage, pledge or otherwise transfer any interest or right created hereby, or (b) delegate his or her duties or obligations under this Purchase Agreement. This Purchase Agreement is made solely for the benefit of the parties hereto, and no other person, partnership, association or corporation shall acquire or have any right under or by virtue of this Purchase Agreement.

15. Severability. Should any provision or portion of this Purchase Agreement be held to be unenforceable or invalid for any reason, the remaining provisions and portions of this Purchase Agreement shall be unaffected by such holding.

16. Counterparts. This Purchase Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall be deemed one instrument.

17. Governing Law. The validity, construction, interpretation, and effect of this Purchase Agreement shall be governed by and determined in accordance with the laws of the State of Delaware without regard for choice of law or conflicts of laws principles.

18. No Retention Rights. Nothing in this Purchase Agreement shall obligate the Company or any Affiliated Company, or their respective stockholders, directors, officers or employees, to continue any relationship that Participant might have as a director, employee, Consultant or other Service Provider of the Company. The right of the Company or any Affiliated Company to terminate at will Participant’s employment at any time (whether by dismissal, discharge or otherwise), with or without Cause, is specifically reserved. Moreover, the Participant acknowledges and agrees that the vesting of Shares

pursuant to this Purchase Agreement is earned only by continuing service as a service provider at will. The Participant further acknowledges that this Purchase Agreement, the transactions contemplated hereunder and the vesting schedule, if any, do not constitute an express or implied promise of continued employment or engagement as a service provider for the vesting period, or for any period at all, and shall not interfere with the Participant's right or the Company's or Affiliated Company's right to terminate the Participant's relationship with the Company or Affiliated Company at any time, with or without Cause or notice.

19. "Market Stand-Off' Agreement. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, the Participant or a transferee shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Shares without the prior written consent of the Company or its managing underwriter. Such restriction (the "**Market Stand-Off'**) shall be in effect for such period of time following the date of the final prospectus for the offering as may be requested by the Company or such underwriter. In no event, however, shall such period exceed 180 days plus such additional period as may reasonably be requested by the Company or such underwriter to accommodate regulatory restrictions on (a) the publication or other distribution of research reports or (b) analyst recommendations and opinions, including (without limitation) the restrictions set forth in Rule 2711(f)(4) of the National Association of Securities Dealers and Rule 472(f)(4) of the New York Stock Exchange, as amended, or any similar successor rules promulgated by the Financial Industry Regulatory Authority, Inc. In the event of the declaration of a stock dividend, a spin off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. In addition, if reasonably requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, Participant or a transferee shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Purchase Agreement until the end of the applicable stand-off period. The Company's underwriters shall be beneficiaries of the agreement set forth in this Section 19.

20. Stop-Transfer Notices. The Participant agrees that to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

21. Tax Elections. The Participant has reviewed with the Participant own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Purchase Agreement. The Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Participant understands that the Participant (and not the Company) shall be responsible for any tax liability that may arise as a result of the transactions contemplated by this Purchase Agreement. The Participant understands that Section 83 of the Code, generally taxes as ordinary income the difference between the purchase price for the Shares and the fair market value of the Shares as of the date any restrictions on the Shares lapse. In this context, "restriction" includes the right of the Company to buy back the Shares pursuant to the Repurchase Right. The Participant understands that the Participant may elect to be taxed at the time the Shares are purchased

rather than when and as the Repurchase Right expires by filing an election under Section 83(b) of the Code with the IRS within 30 days from the date of purchase. THE FORM FOR MAKING THIS SECTION 83(b) ELECTION IS ATTACHED TO THIS PURCHASE AGREEMENT AS **EXHIBIT B** AND THE PARTICIPANT (AND NOT THE COMPANY OR ANY OF ITS AGENTS) SHALL BE SOLELY RESPONSIBLE FOR APPROPRIATELY FILING SUCH FORM, EVEN IF THE PARTICIPANT REQUESTS THE COMPANY OR ITS AGENTS TO MAKE THIS FILING ON THE PARTICIPANT'S BEHALF.

22. Withholding. Participant shall deliver a check or cash to the Company in the amount reasonably requested by the Company to satisfy the Company's withholding obligations under federal, state or other applicable tax laws with respect to the taxable income, if any, recognized by the Participant in connection with the vesting of any portion of the Shares in accordance with the terms of this Purchase Agreement, or in connection with the Participant's Section 83(b) election, as the case may be (unless the Company consented to other arrangements for deductions or withholding from Participant's wages, bonus or other compensation payable to Participant, or by the delivery of Shares owned by the Participant in accordance with the Plan, provided such arrangements satisfy the requirements of applicable tax, securities, or other applicable law).

23. Attorneys' Fees. If any party shall bring an action in law or equity against another to enforce or interpret any of the terms, covenants and provisions of this Purchase Agreement, the prevailing party in such action shall be entitled to recover reasonable attorneys' fees and costs.

24. Reliance on Counsel and Advisors. The Participant acknowledges that he or she has had the opportunity to review this Purchase Agreement, including all attachments hereto, and the transactions contemplated by this Purchase Agreement with his or her own legal counsel, tax advisors and other advisors. The Participant is relying solely on his or her own counsel and advisors and not on any statements or representations of the Company or its agents for legal or other advice with respect to this investment or the transactions contemplated by this Purchase Agreement.

25. California Corporate Securities Law. The sale of the shares that are the subject of this Restricted Stock Purchase Agreement has not been qualified with the Commissioner of Corporations of the State of California and the issuance of such shares or the payment or receipt of any part of the consideration therefor prior to such qualification is unlawful, unless the sale of such shares is exempt from such qualification by Section 25100, 25102 or 25105 of the California Corporate Securities Law of 1968, as amended. The rights of all parties to this Restricted Stock Purchase Agreement are expressly conditioned upon such qualification being obtained, unless the sale is so exempt.

EXHIBIT A

STOCK ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED and pursuant to that certain Restricted Stock Purchase Agreement dated as of 201 , the undersigned hereby sells, assigns and transfers unto ( ) shares of Common Stock of the Company, $0.0001 par value per share of Axonics Modulation Technologies, Inc., a Delaware corporation, standing in the undersigned's name on the books of said corporation represented by certificate number delivered herewith, and does hereby irrevocably constitute and appoint as attorney-in-fact, with full power of substitution, to transfer said stock on the books of said corporation.

Dated: _____

_____
(Signature)

_____
(Spouse's Signature, if any)

_____
(Print Name)

This Stock Assignment Separate From Certificate was executed in conjunction with the terms of a Restricted Stock Purchase Agreement between the above assignor and the above corporation, dated as of , 201 .

EXHIBIT B

SECTION 83(b) ELECTION

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include in his or her gross income the amount of any compensation taxable to him or her in connection with his or her receipt of the property described below:

1. The name, address and taxpayer identification number of the undersigned are as follows:

NAME OF TAXPAYER: _____

TAXPAYER'S ADDRESS: _____

_____

_____

TAXPAYER SSN: _____

2. The property with respect to which the election is made is described as follows: shares of Common Stock, $0.0001 par value per share (the "**Shares**"), of Axonics Modulation Technologies, Inc. (the "**Company**").

3. The date on which the property was transferred is: , 201 .

4. The taxable year for which the election is made is: 201 .

5. The property is subject to the following restrictions: The Shares may be repurchased by the Company, or its assignee, upon the occurrence of certain events. This right lapses with regard to a portion of the Shares over time.

6. The fair market value at the time of transfer, determined without regard to any restriction other than a restriction which by its terms will never lapse, of such property is: $ per share.

7. The amount, if any, paid for such property: $ per share.

The undersigned has submitted a copy of this statement to the person for whom the services were performed in connection with the undersigned's receipt of the above-described property. The transferee of such property is the person performing the services in connection with the transfer of said property.

The undersigned understands that the foregoing election may not be revoked except with the consent of the Commissioner.

Dated: _____

_____

«First_Name » «Last_Name», Taxpayer

Exhibit 10.13

LEASE

BETWEEN

THE IRVINE COMPANY LLC

AND

AXONICS MODULATION TECHNOLOGIES, INC.

LEASE

THIS LEASE is made as of November 30, 2017, by and between **THE IRVINE COMPANY LLC**, a Delaware limited liability company, hereafter called "Landlord," and **AXONICS MODULATION TECHNOLOGIES**, **INC**., a Delaware corporation, hereafter called "**Tenant**."

ARTICLE 1 BASIC LEASE PROVISIONS

Each reference in this Lease to the "**Basic Lease Provisions**" shall mean and refer to the following collective terms, the application of which shall be governed by the provisions in the remaining Articles of this Lease.

1. **Tenant's Trade Name**: N/A

2. **Premises**: The Premises are more particularly described in Section 2.1.

   Address of Building: 26 Technology, Irvine, California

   Project Description: Alton/Technology (as shown on Exhibit Y to this Lease)

3. **Use of Premises**: General office, light manufacturing and assembly, and research and development, all subject to applicable zoning, and for no other use.

4. **Estimated Commencement Date**: March 1, 2018

5. **Lease Term**: 84 months, plus such additional days as may be required to cause this Lease to expire on the final day of the calendar month.

6. **Basic Rent**:

Months of Term or Period	Monthly Rate Per Rentable Square Foot	Monthly Basic Rent (rounded to the nearest dollar)
1 to 12	$2.15	$54,928.00
13 to 24	$2.25	$57,483.00
25 to 36	$2.35	$60,038.00
37 to 48	$2.46	$62,848.00
49 to 60	$2.57	$65,658.00
61 to 72	$2.69	$68,724.00
73 to 84	$2.81	$71,790.00

7. **Expense Recovery Period:** Every twelve month period during the Term (or portion thereof during the first and last Lease years) ending June 30.

8. **Floor Area of Premises:** approximately 25,548 rentable square feet

   Floor Area of Building: approximately 25,548 rentable square feet

9. **Security Deposit**: $178,969.00

10. **Broker(s)**: Irvine Realty Company ("**Landlord's Broker**") is the agent of Landlord exclusively and Hughes Marino, Inc. / San Diego ("**Tenant's Broker**") is the agent of Tenant exclusively.

11. **Parking:** Up to 92 parking spaces in accordance with the provisions set forth in **Exhibit F** to this Lease.

12. **Address for Payments and Notices:**

LANDLORD	TENANT
Payment Address:	
THE IRVINE COMPANY LLC P.O. Box #84 Los Angeles, CA 90084	AXONICS MODULATION TECHNOLOGIES, INC. 26 Technology, Suite 100 Irvine, CA 92618
Notice Address:	
THE IRVINE COMPANY LLC 550 Newport Center Drive Newport Beach, CA 92660 Attn: Senior Vice President, Property Operations Irvine Office Properties	

LIST OF LEASE EXHIBITS (All exhibits, riders and addenda attached to this Lease are hereby incorporated into and made a part of this Lease):

Exhibit A	Description of Premises
Exhibit B	Operating Expenses
Exhibit C	Utilities and Services
Exhibit D	Tenant's Insurance
Exhibit E	Rules and Regulations
Exhibit F	Parking
Exhibit G	Additional Provisions
Exhibit H	Landlord's Disclosures
Exhibit J	Survey Form
Exhibit X	Work Letter
Exhibit Y	Project Description

ARTICLE 2 PREMISES

2.1 LEASED PREMISES. Landlord leases to Tenant and Tenant leases from Landlord the Premises shown in **Exhibit A** (the "**Premises**"), containing approximately the floor area set forth in Item 8 of the Basic Lease Provisions (the "**Floor Area**"). The Premises consist of all of the Floor Area of the building identified in Item 2 of the Basic Lease Provisions (the "**Building**"), which is a portion of the project described in Item 2 (the "**Project**"). Landlord and Tenant stipulate and agree that the Floor Area of Premises set forth in Item 8 of the Basic Lease Provisions is correct.

2.2 ACCEPTANCE OF PREMISES. Tenant acknowledges that neither Landlord nor any representative of Landlord has made any representation or warranty with respect to the Premises, the Building or the Project or the suitability or fitness of either for any purpose, except as set forth in this Lease. Tenant acknowledges that the flooring materials which may be installed within portions of the Premises located on the ground floor of the Building may be limited by the moisture content of the Building slab and underlying soils. The taking of possession or use of the Premises by Tenant for any purpose other than construction shall conclusively establish that the Premises and the Building were in satisfactory condition and in conformity with the provisions of this Lease in all respects, except for (i) those matters which Tenant shall have brought to Landlord's attention on a written punch list, and (ii) latent defects in the construction of the Tenant Improvements not apparent despite a diligent inspection. The punch list shall be limited to any items required to be accomplished by Landlord under the Work Letter (if any) attached as **Exhibit X**, and shall be delivered to Landlord within 30 days after the Commencement Date (as defined herein). Nothing contained in this Section 2.2 shall affect the commencement of the Term or the obligation of Tenant to pay rent. Landlord shall diligently complete all punch list items of which it is notified as provided above.

2.3 GOOD WORKING ORDER WARRANTY. Landlord warrants to Tenant that the fire sprinkler system, lighting, heating, ventilation and air conditioning systems and electrical systems serving the Premises shall be in good operating condition as of the day the Premises are delivered to Tenant.

ARTICLE 3 TERM

3.1 GENERAL. The term of this Lease ("**Term**") shall be for the period shown in Item 5 of the Basic Lease Provisions. The Term shall commence ("**Commencement Date**") on the earlier of (a) the date the Premises are deemed ''ready for occupancy" (as hereinafter defined) and possession thereof is delivered to Tenant, or (b) the date Tenant commences its regular business activities within the Premises. Promptly following request by Landlord, the parties shall memorialize on a form provided by Landlord (the "**Commencement Memorandum**") the actual Commencement Date and the expiration date ("**Expiration Date**") of this Lease; should Tenant fail to execute and return the Commencement Memorandum to Landlord within 5 business days (or provide specific written objections thereto within that period), then Landlord's determination of the Commencement and Expiration Dates as set forth in the Commencement Memorandum shall be conclusive. The Premises shall be deemed "**ready for occupancy**" when Landlord, to the extent applicable, has substantially completed all the work required to be completed by Landlord pursuant to the Work Letter (if any) attached to this Lease but for minor punch list matters, and has obtained the requisite governmental approvals for Tenant's occupancy in connection with such work.

3.2 DELAY IN POSSESSION. If Landlord, for any reason whatsoever, cannot deliver possession of the Premises to Tenant on or before the Estimated Commencement Date set forth in Item 4 of the Basic Lease Provisions, this Lease shall not be void or voidable nor shall Landlord be liable to Tenant for any resulting loss or damage. However, Tenant shall not be liable for any rent until the Commencement Date occurs as provided in Section 3.1 above, except that if Landlord's failure to substantially complete all work required of Landlord pursuant to Section 3.1 above is attributable to any action or inaction by Tenant (including without limitation any Tenant Delay described in the Work Letter, if any, attached to this Lease), then the Premises shall be deemed ready for occupancy, and Landlord shall be entitled to full performance by Tenant (including the payment of rent), as of the date Landlord would have been able to substantially complete such work and deliver the Premises to Tenant but for Tenant's delay(s).

ARTICLE 4 RENT AND OPERATING EXPENSES

4.1 BASIC RENT. From and after the Commencement Date, Tenant shall pay to Landlord without deduction or offset, except as provided in this Lease, a Basic Rent for the Premises in the total amount shown (including subsequent adjustments, if any) in Item 6 of the Basic Lease Provisions (the "**Basic Rent**"). If the Commencement Date is other than the first day of a calendar month, any rental adjustment shown in Item 6 shall be deemed to occur on the first day of the next calendar month following the specified monthly anniversary of the Commencement Date. The Basic Rent shall be due and payable in advance commencing on the Commencement Date and continuing thereafter on the first day of each successive calendar month of the Term, as prorated for any partial month. No demand, notice or invoice shall be required. An installment in the amount of 1 full month's Basic Rent, at the initial rate specified in Item 6 of the Basic Lease Provisions, and estimated Tenant's Share of Operating Expenses shall be delivered to Landlord concurrently with Tenant's execution of this Lease and shall be applied against the Basic Rent first due hereunder; the next installment of Basic Rent shall be due on the first day of the second calendar month of the Term, which installment shall, if applicable, be appropriately prorated to reflect the amount prepaid for that calendar month.

4.2 OPERATING EXPENSES. Tenant shall pay Tenant's Share of Operating Expenses in accordance with **Exhibit B** of this Lease.

4.3 SECURITY DEPOSIT. Concurrently with Tenant's delivery of this Lease, Tenant shall deposit with Landlord the sum, if any, stated in Item 9 of the Basic Lease Provisions (the "**Security Deposit**"), to be held by Landlord as security for the full and faithful performance of Tenant's obligations under this Lease, to pay any rental sums, including without limitation such additional rent as may be owing under any provision hereof, and to maintain the Premises as required by Sections 7.1 and 15.2 or any other provision of this Lease. Upon any breach of the foregoing obligations by Tenant, Landlord may apply all or part of the Security Deposit as full or partial compensation. If any portion of the Security Deposit is so applied, Tenant shall within 5 days after written demand by Landlord deposit cash or check with Landlord in an amount sufficient to restore the Security Deposit to its original amount. Landlord shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to interest on the Security Deposit. In no event may Tenant utilize all or any portion of the Security Deposit as a payment toward any rental sum due under this Lease. Any unapplied balance of the Security Deposit shall be returned to Tenant or, at Landlord's option, to the last assignee of Tenant's interest in this Lease within 30 days following the termination of this Lease and Tenant's vacation of the Premises. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, or any similar or successor laws now or hereafter in effect, in connection with Landlord's application of the Security Deposit to prospective rent that would have been payable by Tenant but for the early termination due to Tenant's Default (as defined herein),

In the event that no uncured "Default' has occurred at any time during the Term hereof, and provided further that Tenant has not at any time been more than 5 days late more than once with respect to any payments of Basic Rent and Operating Expenses due under the Lease during the immediately preceding 12-month period, then upon the written request of Tenant, Landlord shall return to Tenant a portion of the Security Deposit in the form of credits against the Basic Rent in the amount of (i) $62,848,00 against the Basic Rent installment due and payable on the first day of the 3711 month of the Term, and (ii) $37,152.00 against the Basic Rent installment due and payable on the first day of the 38th month of the Term.

ARTICLE 5 USES

5.1 USE. Tenant shall use the Premises only for the purposes stated in Item 3 of the Basic Lease Provisions and for no other use whatsoever, The uses prohibited under this Lease shall include, without limitation, use of the Premises or a portion thereof for (i) offices of any agency or bureau of the United States or any state or political subdivision thereof; (ii) offices or agencies of any foreign governmental or political subdivision thereof; or (iii) schools, temporary employment agencies or other training facilities which are not ancillary to corporate, executive or professional office use. Tenant shall not do or permit anything to be done in or about the Premises which will in any way interfere with the rights or quiet enjoyment of other occupants of the Building or the Project, or use or allow the Premises to be used for any unlawful purpose, nor shall Tenant permit any nuisance or commit any waste in the Premises or the Project. Tenant shall not perform any work or conduct any business whatsoever in the Project other than inside the Premises. Tenant shall comply at its expense with all present and future laws, ordinances and requirements of all governmental authorities that pertain to Tenant or its use of the Premises. Pursuant to California Civil Code § 1938, Landlord hereby states that the Premises have not undergone inspection by a Certified Access Specialist (CASp) (defined in California Civil Code § 55.52(a)(3)). Pursuant to Section 1938 of the California Civil Code, Landlord hereby provides the following notification to Tenant: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction related accessibility standards within the premises." If Tenant requests to perform a CASp inspection of the Premises, Tenant shall, at its cost, retain a CASp approved by Landlord (provided that Landlord may designate the CASp, at Landlord's option) to perform the inspection of the Premises at a time agreed upon by the parties. Tenant shall provide Landlord with a copy of any report or certificate issued by the CASp (the "**CASp Report**") and Tenant shall, at its cost, promptly complete any modifications necessary to correct violations of construction related accessibility standards identified in the CASp Report, notwithstanding anything to the contrary in this Lease. Tenant agrees to keep the information in the CASp Report confidential except as necessary for the Tenant to complete such modifications, During the Term, Landlord shall be responsible, at its cost (except to the extent properly included in Project Costs), for correcting any violations of Title III of the Americans with Disabilities Act ("**ADA**") in which it is notified by governmental authorities with respect to the Common Areas of the Building except for any obligations specifically imposed upon Tenant pursuant to this Lease. Notwithstanding the foregoing, Landlord shall have the right to contest any alleged violation in good faith, including, without limitation, the right to apply for and obtain a waiver or deferment of compliance, the right to assert any and all defenses allowed by law and the right to appeal any decisions, judgments or rulings to the fullest extent permitted by law. Landlord, after the exhaustion of any and all rights to appeal or contest, will make all repairs, additions, alterations or improvements necessary to comply with the terms of any final order or judgment. Notwithstanding the foregoing, Tenant, not Landlord, shall be responsible for the correction of any violations that arise out of or in connection with any claims brought under any provision of *the* Americans with Disabilities Act

other than Title III, the specific nature of Tenant's business in the Premises (other than general office use), the acts or omissions of Tenant, its agents, employees or contractors, Tenant's arrangement of any furniture, equipment or other property in the Premises, any repairs, alterations, additions or improvements performed by or on behalf of Tenant (including the Tenant Improvements) and any design or configuration of the Premises specifically requested by Tenant after being informed that such design or configuration may not be in strict compliance with the ADA. Subject to the terms of this Lease, Tenant shall have access to the Building 24 hours per day, 7 days per week, 52 weeks per year; provided that Landlord may install access control systems as it deems advisable for the Building.

5.2 SIGNS. Provided Tenant continues to occupy the entire Premises, Tenant shall have the exclusive right to one (1) building top sign on the Building for Tenant's name and graphics in a location designated by Landlord, subject to Landlord's right of prior approval that such exterior signage is in compliance with the Signage Criteria (defined below). Except as provided in the foregoing and except for Landlord's standard suite signage identifying Tenant's name and/or logo, Tenant shall have no right to maintain signs in any location in, on or about the Premises, the Building or the Project and shall not place or erect any signs that are visible from the exterior of the Building. The size, design, graphics. material, style, color and other physical aspects of any permitted sign shall be subject to Landlord's written determination, as determined solely by Landlord, prior to installation, that signage is in compliance with any covenants, conditions or restrictions encumbering the Premises and Landlord's signage program for the Project, as in effect from lime to time and approved by the City in which the Premises are located ("**Signage Criteria**"). Prior to placing or erecting any such signs, Tenant shall obtain and deliver to Landlord a copy of any applicable municipal or other governmental permits and approvals, except to Landlord's standard suite signage. Tenant shall be responsible for all costs of any permitted sign, including, without limitation, the fabrication, installation, maintenance and removal thereof and the cost of any permits therefor, except that Landlord shall pay for the initial installation costs only of the standard suite signage. If Tenant fails to maintain its sign in good condition, or if Tenant fails to remove same upon termination of this Lease and repair and restore any damage caused by the sign or its removal, Landlord may do so at Tenant's expense. Landlord shall have the right to temporarily remove any signs in connection with any repairs or maintenance in or upon the Building. The term "**sign**" as used in this Section shall include all signs, designs, monuments, displays, advertising materials, logos, banners, projected images, pennants. decals, pictures, notices, lettering, numerals or graphics. Tenant's exterior signage rights under this Section 5.2 belong solely to Axonics Modulation Technologies, Inc., a Delaware corporation, and any transferee pursuant to a Permitted Transfer (as defined in Section 9.1(e)), and any other attempted assignment or transfer of such rights other than in connection with a Permitted Transfer (as defined in Section 9.1(e)) shall be void and of no force and effect. Notwithstanding the foregoing, the parties agree that Tenant's signage shall not have a name which relates to an entity which is of a character or reputation, or is associated with a political faction or orientation, which is inconsistent with the quality of the Project. or which would otherwise reasonably offend a landlord of comparable institutionally owned office building located near the Building.

5.3 HAZARDOUS MATERIALS.

(a) For purposes of this Lease, the term "**Hazardous Materials**" means (I) any "hazardous material" as defined in Section 25501(o) of the California Health and Safety Code, (ii) hydrocarbons, polychlorinated biphenyls or asbestos, (iii) any toxic or hazardous materials, substances, wastes or materials as defined pursuant to any other applicable state, federal or local law or regulation, and (iv) any other substance or matter which may result in liability to any person or entity as a result of such person's possession, use, storage, release or distribution of such substance or matter under any statutory or common law theory.

(b) Tenant shall not cause or permit any Hazardous Materials to be brought upon, stored, used, generated, released or disposed of on, under, from or about the Premises (including without limitation the soil and groundwater thereunder) without the prior written consent of Landlord, which consent may be given or withheld in Landlord's sole and absolute discretion. Notwithstanding the foregoing, Tenant shall have the right, without obtaining prior written consent of Landlord, to utilize within the Premises a reasonable quantity of standard office products that may contain Hazardous Materials (such as photocopy toner, "White Out", and the like), provided however, that (i) Tenant shall maintain such products in their original retail packaging, shall follow all instructions on such packaging with respect to the storage. use and disposal of such products, and shall otherwise comply with all applicable laws with respect to such products. and (ii) all of the other terms and provisions of this Section 5.3 shall apply with respect to Tenant's storage, use and disposal of all such products. Landlord may, in its sole and absolute discretion, place such conditions as Landlord deems appropriate with respect to Tenant's use, storage and/or disposal of any Hazardous Materials requiring Landlord's consent. Tenant understands that Landlord may utilize an environmental consultant to assist in determining conditions of approval in connection with the storage. use, release, and/or disposal of Hazardous Materials by Tenant on or about the Premises, and/or to conduct periodic inspections of the storage, generation, use, release and/or disposal of such Hazardous Materials by Tenant on and from the Premises, and Tenant agrees that any costs incurred by Landlord in connection therewith shall be reimbursed by Tenant to Landlord as additional rent hereunder upon demand.

(c) Prior to the execution of this Lease, Tenant shall complete, execute and deliver to Landlord a Hazardous Material Survey Form (the "**Survey Form**") in the form of **Exhibit J** attached hereto. The completed Survey Form shall be deemed incorporated into this Lease for all purposes, and Landlord shall be entitled to rely fully on the information contained therein. On each anniversary of the Commencement Date until the expiration or sooner termination of this Lease, Tenant

shall disclose to Landlord in writing the names and amounts of all Hazardous Materials which were stored, generated, used. released and/or disposed of on, under or about the Premises for the twelve-month period prior thereto, and which Tenant desires to store, generate, use, release and/or dispose of on, under or about the Premises for the succeeding twelve-month period, In addition, to the extent Tenant is permitted to utilize Hazardous Materials upon the Premises, Tenant shall promptly provide Landlord with complete and legible copies of all the following environmental documents relating thereto: reports filed pursuant to any self-reporting requirements; permit applications, permits, monitoring reports, emergency response or action plans, workplace exposure and community exposure warnings or notices and all other reports, disclosures, plans or documents (even those which may be characterized as confidential) relating to water discharges, air pollution, waste generation or disposal, and underground storage tanks for Hazardous Materials; orders, reports, notices, listings and correspondence (even those which may be considered confidential) of or concerning the release, investigation, compliance, cleanup, remedial and corrective actions, and abatement of Hazardous Materials; and all complaints, pleadings and other legal documents filed by or against Tenant related to Tenant's storage, generation, use, release and/or disposal of Hazardous Materials,

(d) Landlord and its agents shall have the right, but not the obligation, to inspect, sample and/or monitor the Premises and/or the soil or groundwater thereunder at any time to determine whether Tenant is complying with the terms of this Section 5.3, and in connection therewith Tenant shall provide Landlord with full access to all facilities, records and personnel related thereto. If Tenant is not in compliance with any of the provisions of this Section 5.3, or in the event of a release of any Hazardous Material on, under, from or about the Premises caused or permitted by Tenant, its agents, employees, contractors, licensees, subtenants or invitees, Landlord and its agents shall have the right, but not the obligation, without limitation upon any of Landlord's other rights and remedies under this Lease, to immediately enter upon the Premises without notice and to discharge Tenant's obligations under this Section 5.3 at Tenant's expense, including without limitation the taking of emergency or long-term remedial action. Landlord and its agents shall endeavor to minimize interference with Tenant's business in connection therewith, but shall not be liable for any such interference. In addition, Landlord, at Tenant's expense, shall have the right, but not the obligation, to join and participate in any legal proceedings or actions initiated in connection with any claims arising out of the storage, generation, use, release and/or disposal by Tenant or its agents, employees, contractors, licensees, subtenants or invitees of Hazardous Materials on, under, from or about the Premises.

5.4 If the presence of any Hazardous Materials on, under, from or about the Premises or the Project caused or permitted by Tenant or its agents, employees, contractors, licensees, subtenants or invitees results in (i) injury to any person, (ii) injury to or any contamination of the Premises or the Project, or (iii) injury to or contamination of any real or personal property wherever situated, Tenant, at its expense, shall promptly take all actions necessary to return the Premises and the Project and any other affected real or personal property owned by Landlord to the condition existing prior to the introduction of such Hazardous Materials and to remedy or repair any such injury or contamination, including without limitation, any cleanup, remediation, removal, disposal, neutralization or other treatment of any such Hazardous Materials. Notwithstanding the foregoing, Tenant shall not, without Landlord's prior written consent, which consent may be given or withheld in Landlord's sole and absolute discretion, take any remedial action in response to the presence of any Hazardous Materials on, under, from or about the Premises or the Project or any other affected real or personal property owned by Landlord or enter into any similar agreement, consent, decree or other compromise with any governmental agency with respect to any Hazardous Materials claims; provided however, Landlord's prior written consent shall not be necessary in the event that the presence of Hazardous Materials on, under, from or about the Premises or the Project or any other affected real or personal property owned by Landlord (i) imposes an immediate threat to the health, safety or welfare of any individual and (ii) is of such a nature that an immediate remedial response is necessary and it is not possible to obtain Landlord's consent before taking such action. To the fullest extent permitted by law, Tenant shall indemnify, hold harmless, protect and defend (with attorneys acceptable to Landlord) Landlord and any successors to all or any portion of Landlord's interest in the Premises and the Project and any other real or personal property owned by Landlord from and against any and all liabilities, losses, damages, diminution in value, judgments, fines, demands, claims, recoveries, deficiencies, costs and expenses (including without limitation attorneys' fees, court costs and other professional expenses), whether foreseeable or unforeseeable, arising directly or indirectly out of the use, generation, storage, treatment, release, on- or off-site disposal or transportation of Hazardous Materials on, into, from, under or about the Premises, the Building or the Project and any other real or personal property owned by Landlord caused or permitted by Tenant, its agents, employees, contractors, licensees, subtenants or invitees, Such indemnity obligation shall specifically include, without limitation, the cost of any required or necessary repair, restoration, cleanup or detoxification of the Premises, the Building and the Project and any other real or personal property owned by Landlord, the preparation of any closure or other required plans, whether such action is required or necessary during the Term or after the expiration of this Lease and any loss of rental due to the inability to lease the Premises or any portion of the Building or Project as a result of such Hazardous Materials, the remediation thereof or any repair, restoration or cleanup related thereto. If it is at any time discovered that Tenant or its agents, employees, contractors, licensees, subtenants or invitees may have caused or permitted the release of any Hazardous Materials on, under, from or about the Premises, the Building or the Project or any other real or personal property owned by Landlord, Tenant shall, at Landlord's request, immediately prepare and submit to Landlord a comprehensive plan, subject to Landlord's approval, specifying the actions to be taken by Tenant to return the Premises, the Building or the Project or any other real or personal property owned by Landlord to the condition existing prior to the introduction of such Hazardous Materials. Upon Landlord's approval of such

plan, Tenant shall, at its expense, and without limitation of any rights and remedies of Landlord under this Lease or at law or in equity, immediately implement such plan and proceed to cleanup, remediate and/or remove all such Hazardous Materials in accordance with all applicable laws and as required by such plan and this Lease. The provisions of this Section 5.3(e) shall expressly survive the expiration or sooner termination of this Lease.

5.5 Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, certain facts relating to Hazardous Materials at the Project known by Landlord to exist as of the date of this Lease, as more particularly described in **Exhibit H** attached hereto. Tenant shall have no liability or responsibility with respect to the Hazardous Materials facts described in **Exhibit H**, nor with respect to any Hazardous Materials which Tenant proves were not caused or permitted by Tenant, its agents, employees, contractors, licensees, subtenants or invitees. Notwithstanding the preceding two sentences, Tenant agrees to notify its agents, employees, contractors, licensees. subtenants, and invitees of any exposure or potential exposure to Hazardous Materials at the Premises that Landlord brings to Tenant's attention. Tenant hereby acknowledges that this disclosure satisfies any obligation of Landlord to Tenant pursuant to California Health & Safety Code Section 25359.7, or any amendment or substitute thereto or any other disclosure obligations of Landlord. Landlord, to the best of its knowledge, represents to Tenant that except for normal janitorial, maintenance and office supplies and except as otherwise disclosed herein, no hazardous or toxic materials are present in or about the Building. Should any such materials be discovered and should their remediation be legally required, then unless such materials were introduced by Tenant, its agents, employees, subtenants, vendors, licensees, invitees or contractors, Landlord shall remediate same at its expense and shall hold Tenant harmless from any cost in connection therewith.

ARTICLE 6 LANDLORD SERVICES

6.1 UTILITIES AND SERVICES. Landlord and Tenant shall be responsible to furnish those utilities and services to the Premises to the extent provided in **Exhibit C**, subject to the conditions and payment obligations and standards set forth in this Lease. Landlord shall not be liable for any failure to furnish any services or utilities when the failure is the result of any accident or other cause beyond Landlord's reasonable control, nor shall Landlord be liable for damages resulting from power surges or any breakdown in telecommunications facilities or services. Landlord's temporary inability to furnish any services or utilities shall not entitle Tenant to any damages. relieve Tenant of the obligation to pay rent or constitute a constructive or other eviction of Tenant, except that Landlord shall diligently attempt to restore the service or utility promptly. However, if the Premises, or a material portion of the Premises, are made untenantable for a period in excess of 3 consecutive business days as a result of a service interruption that is reasonably within the control of Landlord to correct and through no fault of Tenant and for reasons other than as contemplated in Article 11, then Tenant, as its sole remedy, shall be entitled to receive an abatement of Rent payable hereunder during the period beginning on the 4th consecutive business day of the service interruption and ending on the day the service has been restored. Tenant shall comply with all rules and regulations which Landlord may reasonably establish for the provision of services and utilities, and shall cooperate with all reasonable conservation practices established by Landlord. Landlord shall at all reasonable times have free access to all electrical and mechanical installations of Landlord, and Landlord shall provide to Tenant at least 48 hours' notice of any scheduled suspension or interruption of services and the anticipated duration thereof, and shall schedule such suspensions or interruptions, to the extent feasible, during non-business hours.

6.2 OPERATION AND MAINTENANCE OF COMMON AREAS. During the Term, Landlord shall operate all Common Areas within the Building and the Project in a first-class manner. The term "**Common Areas**" shall mean all areas within the Building and other buildings in the Project which are not held for exclusive use by persons entitled to occupy space, including without limitation parking areas and structures, driveways, sidewalks, landscaped and planted areas, hallways and interior stairwells riot located within the premises of any tenant, common electrical rooms, entrances and lobbies, elevators, and restrooms not located within the premises of any tenant.

6.3 USE OF COMMON AREAS. The occupancy by Tenant of the Premises shall include the use of the Common Areas in common with Landlord and with all others for whose convenience and use the Common Areas may be provided by Landlord, subject, however, to compliance with Rules and Regulations described in Article 17 below. Landlord shall at all times during the Term have exclusive control of the Common Areas, and may restrain or permit any use or occupancy, except as otherwise provided in this Lease or in Landlord's rules and regulations. Tenant shall keep the Common Areas clear of any obstruction or unauthorized use related to Tenant's operations. Landlord may temporarily close any portion of the Common Areas for repairs, remodeling and/or alterations, to prevent a public dedication or the accrual of prescriptive rights, or for any other reasonable purpose, so tong as such closure of the Common Areas shall not unreasonably and adversely interfere with Tenant's use of the Premises. Landlord's temporary closure of any portion of the Common Areas for such purposes shall not deprive Tenant of reasonable access to the Premises.

6.4 CHANGES AND ADDITIONS BY LANDLORD. Landlord reserves the right to make alterations or additions to the Building or the Project or to the attendant fixtures, equipment and Common Areas, so long as such alterations or additions shall not unreasonably and adversely interfere with Tenant's use of the Premises, and such change shell not entitle Tenant to any abatement of rent or other claim against Landlord. No such change shall deprive Tenant of reasonable access to or use of the Premises.

ARTICLE 7 REPAIRS AND MAINTENANCE

7.1 TENANT'S MAINTENANCE AND REPAIR. Subject to Articles 11 and 12, Tenant at its sole expense shall make all repairs necessary to keep the Premises and all improvements and fixtures therein in good condition and repair. Notwithstanding Section 7.2 below, Tenant's maintenance obligation shall include without limitation all appliances, interior glass, doors, door closures, hardware, fixtures, non-building standard electrical, non-building standard plumbing, fire extinguisher equipment and other equipment installed in the Premises and all Alterations constructed by Tenant pursuant to Section 7.3 below, together with any supplemental HVAC equipment servicing only the Premises. All repairs and other work performed by Tenant or its contractors shall be subject to the terms of Sections 7.3 and 7,4 below, Alternatively, should Landlord or its management agent agree to make a repair on behalf of Tenant and at Tenant's request, Tenant shall promptly reimburse Landlord as additional rent for all reasonable costs incurred (including the standard supervision fee) upon submission of an invoice.

7.2 LANDLORD'S MAINTENANCE AND REPAIR. Subject to Articles 11 and 12, Landlord shall provide service, maintenance and repair with respect to the heating, ventilating and air conditioning ("**HVAC**") equipment of the Building (exclusive of any supplemental HVAC equipment servicing only the Premises) and shall maintain in good repair the Common Areas, roof, foundations, footings, the exterior surfaces of the exterior walls of the Building (including exterior glass), and the structural, electrical, mechanical and plumbing systems of the Building (including elevators, if any, serving the Building), except to the extent provided in Section 7.1 above. Landlord need not make any other improvements or repairs except as specifically required under this Lease, and nothing contained in this Section 7.2 shall limit Landlord's right to reimbursement from Tenant for maintenance, repair costs and replacement costs as provided elsewhere in this Lease. Notwithstanding any provision of the California Civil Code or any similar or successor laws to the contrary, Tenant understands that it shall not make repairs at Landlord's expense or by rental offset, Except as provided in Section 11.1 and Article 12 below, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements to any portion of the Building, including repairs to the Premises, nor shall any related activity by Landlord constitute an actual or constructive eviction; provided, however, that in making repairs, alterations or improvements, Landlord shall interfere as little as reasonably practicable with the conduct of Tenant's business in the Premises. Tenant hereby waives any and all rights under and benefits of subsection 1 of Section 1932, and Sections 1941 and 1942 of the California Civil Code, or any similar or successor laws now or hereafter in effect.

7.3 ALTERATIONS. Except for cosmetic alteration projects that do not exceed $125,000.00 during each calendar year and that satisfy the criteria in the next following sentence (which work shall require notice to Landlord but not Landlord's consent), Tenant shall make no alterations, additions, decorations or improvements (collectively referred to as "**Alterations**") to the Premises without the prior written consent of Landlord. Landlord's consent shall not be unreasonably withheld as long as the proposed Alterations do not affect the structural, electrical or mechanical components or systems of the Building, are not visible from the exterior of the Premises, do not change the basic floor plan of the Premises, and utilize only Landlord's building standard materials ("**Standard Improvements**"). Landlord may impose, as a condition to its consent, any requirements that Landlord in its discretion may deem reasonable or desirable. Without limiting the generality of the foregoing, Tenant shall use Landlord's designated mechanical and electrical contractors for all Alterations work affecting the mechanical or electrical systems of the Building. Should Tenant perform any Alterations work that would necessitate any ancillary Building modification or other expenditure by Landlord, then Tenant shall promptly fund the cost thereof to Landlord. Tenant shall obtain all required permits for the Alterations and shall perform the work in compliance with all applicable laws, regulations and ordinances with contractors reasonably acceptable to Landlord, and except for cosmetic Alterations not requiring a permit, Landlord shall be entitled to a supervision fee in the amount of 5% of the cost of the Alterations. Any request for Landlord's consent shall be made in writing and shall contain architectural plans describing the work in detail reasonably satisfactory to Landlord, Landlord may elect to cause its architect to review Tenant's architectural plans, and the reasonable cost of that review shall be reimbursed by Tenant. Should the Alterations proposed by Tenant and consented to by Landlord change the floor plan of the Premises, then Tenant shall, at its expense, furnish Landlord with as-built drawings and CAD disks compatible with Landlord's systems. Alterations shall be constructed in a good and workmanlike manner using materials of a quality reasonably approved by Landlord. Unless Landlord otherwise agrees in writing, all Alterations affixed to the Premises, including without limitation all Tenant Improvements constructed pursuant to the Work Letter (except as otherwise provided in the Work Letter), but excluding moveable trade fixtures and furniture, shall become the property of Landlord. Such Alterations shall be surrendered with the Premises at the end of the Term, except that Landlord may, by notice to Tenant given simultaneously with Landlord's consent, require Tenant to remove by the Expiration Date, or sooner termination date of this Lease, all or any Alterations (including without limitation all telephone and data cabling) installed either by Tenant or by Landlord at Tenant's request (collectively, the "**Required Removables**"), and to replace any non-Standard Improvements with the applicable Standard Improvements, Tenant, at the time it requests approval for a proposed Alteration, may request in writing that Landlord advise Tenant whether the Alteration or any portion thereof, is a Required Removable. Within 10 days after receipt of Tenant's request, Landlord shall advise Tenant in writing as to which portions of the subject Alterations are Required Removables. In connection with its removal of Required Removables, Tenant shall repair any damage to the Premises arising from that removal and shall restore the affected area to its pre-existing condition, reasonable wear and tear excepted.

7.4 MECHANIC'S LIENS. Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by or for Tenant. Upon request by Landlord, Tenant shall promptly cause any such lien to be released by posting a bond in accordance with California Civil Code Section 8424 or any successor statute, In the event that Tenant shall not, within 15 days following the imposition of any lien, cause the lien to be released of record by payment or posting of a proper bond, Landlord shall have, in addition to all other available remedies, the right to cause the lien to be released by any means it deems proper, including payment of or defense against the claim giving rise to the lien. All expenses so incurred by Landlord, including Landlord's attorneys' fees, shall be reimbursed by Tenant promptly following Landlord's demand, together with interest from the date of payment by Landlord at the maximum rate permitted by law until paid. Tenant shall give Landlord no less than 20 days' prior notice in writing before commencing construction of any kind on the Premises.

7.5 ENTRY AND INSPECTION. Landlord shall at all reasonable times have the right to enter the Premises to inspect them, to supply services in accordance with this Lease, to make repairs and renovations as reasonably deemed necessary by Landlord, and to submit the Premises to prospective or actual purchasers or encumbrance holders (or. during the final twelve months of the Term or when an uncured Default exists, to prospective tenants), all without being deemed to have caused an eviction of Tenant and without abatement of rent except as provided elsewhere in this Lease. If reasonably necessary, Landlord may temporarily close all or a portion of the Premises to perform repairs, alterations and additions, Except in emergencies or to provide Building services, Landlord shall provide Tenant with reasonable prior verbal notice (at least 24 hours) of entry and shall use reasonable efforts to minimize any interference with Tenant's use of the Premises.

ARTICLE 8 [*INTENTIONALLY DELETED*]

ARTICLE 9 ASSIGNMENT AND SUBLETTING

9.1 RIGHTS OF PARTIES.

(a) Except as otherwise specifically provided in this Article 9, Tenant may not, either voluntarily or by operation of law, assign, sublet, encumber, or otherwise transfer all or any part of Tenant's interest in this Lease, or permit the Premises to be occupied by anyone other than Tenant (each, a "**Transfer**"), without Landlord's prior written consent, which consent shall not unreasonably be withheld, conditioned or delayed in accordance with the provisions of Section 9 1(b). For purposes of this Lease, references to any subletting, sublease or variation thereof shall be deemed to apply not only to a sublease effected directly by Tenant, but also to a sub-subletting or an assignment of subtenancy by a subtenant at any level. Except as otherwise specifically provided in this Article 9. no Transfer (whether voluntary, involuntary or by operation of law) shall be valid or effective without Landlord's prior written consent and. at Landlord's election, such a Transfer shall constitute a material default of this Lease.

(b) Except as otherwise specifically provided in this Article 9, if Tenant or any subtenant hereunder desires to transfer an interest in this Lease, Tenant shall first notify Landlord in writing and shall request Landlord's consent thereto. Tenant shall also submit to Landlord in writing: (i) the name and address of the proposed transferee; (ii) the nature of any proposed subtenant's or assignee's business to be carried on in the Premises; (iii) the terms and provisions of any proposed sublease or assignment (including without limitation the rent and other economic provisions, term, improvement obligations and commencement date); (iv) evidence that the proposed assignee or subtenant will comply with the requirements of Exhibit D to this Lease; and (v) any other information requested by Landlord and reasonably related to the Transfer. Landlord shall not unreasonably withhold its consent, provided: (1) the use of the Premises will he consistent with the provisions of this Lease and with Landlord's commitment to other tenants of the Building and Project; (2) any proposed subtenant or assignee demonstrates that it is financially responsible by submission to Landlord of all reasonable information as Landlord may request concerning the proposed subtenant or assignee, including, but not limited to, a balance sheet of the proposed subtenant or assignee as of a date within 90 days of the request for Landlord's consent and statements of income or profit and loss of the proposed subtenant or assignee for the two-year period preceding the request for Landlord's consent; (3) the proposed assignee or subtenant is neither an existing tenant or occupant of the Building or Project nor a prospective tenant with whom Landlord or Landlord's affiliate has been actively negotiating to become a tenant at the Building or Project; and (4) the proposed transferee is not an SDN (as defined below) and will not impose additional burdens or security risks on Landlord. If Landlord consents to the proposed Transfer, then the Transfer may be effected within 90 days after the date of the consent upon the terms described in the information furnished to Landlord; provided that any material change in the terms shall be subject to Landlord's consent as set forth in this Section 9.1(b). Landlord shall approve or disapprove any requested Transfer within 20 days following receipt of Tenant's written notice and the information set forth above. Except in connection with a Permitted Transfer (as defined below), if Landlord approves the Transfer Tenant shall pay a transfer fee of $750.00 to Landlord concurrently with Tenant's execution of a Transfer consent prepared by Landlord. As used herein, "actively negotiating" shall mean that Landlord and the existing or prospective tenant have exchanged written communications concerning the leased space in the Building or the Project within 120 days prior to the date of Tenant's request for Landlord's consent.

(c) Notwithstanding the provisions of Subsection (b) above, and except in connection with a "**Permitted Transfer**" (as defined below), in lieu of consenting to a proposed assignment or a subletting. provided such sublease results in more than 20% of the Floor Area of the Premises being subleased for more than 50% of the remaining Lease Term,

Landlord may elect to terminate this Lease in its entirety in the event of an assignment, or terminate this Lease as to the portion of the Premises proposed to be subleased with a proportionate abatement in the rent payable under this Lease, such termination to be effective on the date that the proposed sublease or assignment would have commenced. Landlord may thereafter, at its option, assign or re-let any space so recaptured to any third party, including without limitation the proposed transferee identified by Tenant.

9.2 Should any Transfer occur, Tenant shall, except in connection with a Permitted Transfer, promptly pay or cause to be paid to Landlord, as additional rent, 50% of any amounts paid by the assignee or subtenant, however described and whether funded during or after the Lease Term, to the extent such amounts are in excess of the sum of (i) the scheduled Basic Rent payable by Tenant hereunder (or, in the event of a subletting of only a portion of the Premises, the Basic Rent allocable to such portion as reasonably determined by Landlord) and (ii) the direct out-of-pocket costs, as evidenced by third party invoices provided to Landlord, incurred by Tenant to effect the Transfer, which costs shall be amortized over the remaining Term of this Lease or, if shorter, over the term of the sublease.

9.3 The sale of all or substantially all of the assets of Tenant (other than bulk sales in the ordinary course of business), the merger or consolidation of Tenant, the sale of Tenant's capital stock, or any other direct or indirect change of control of Tenant, including, without limitation, change of control of Tenant's parent company or a merger by Tenant or its parent company, shall be deemed a Transfer within the meaning and provisions of this Article. Notwithstanding the foregoing, a Transfer shall not include the infusion of additional equity capital in Tenant or an initial public offering of equity securities of Tenant under the Securities Act of 1933, as amended, which results in Tenant's stock being traded on a national securities exchange, including, but not limited to, the NYSE, the NASDAQ Stock Market or the NASDAQ Small Cap Market System. Further notwithstanding the foregoing, Tenant may assign this Lease to a successor to Tenant by merger, consolidation or the purchase of substantially all of Tenant's assets, or assign this Lease or sublet all or a portion of the Premises to an Affiliate (defined below), without the consent of Landlord but subject to the provisions of Section 9.2, provided that all of the following conditions are satisfied (a "**Permitted Transfer**"): (i) Tenant is not then in Default hereunder; (ii) Tenant gives Landlord written notice at least 10 business days before such Permitted Transfer; and (iii) the successor entity resulting from any merger or consolidation of Tenant or the sale of all or substantially all of the assets of Tenant, has a net worth (computed in accordance with generally accepted accounting principles, except that intangible assets such as goodwill, patents, copyrights, and trademarks shall be excluded in the calculation ("**Net Worth**")) at the time of the Permitted Transfer that is at least equal to the Net Worth of Tenant immediately before the Permitted Transfer. Tenant's notice to Landlord shall include reasonable information and documentation evidencing the Permitted Transfer and showing that each of the above conditions has been satisfied. If requested by Landlord, Tenant's successor shall sign and deliver to Landlord a commercially reasonable form of assumption agreement, "**Affiliate**" shall mean an entity controlled by, controlling or under common control with Tenant.

9.4 EFFECT OF TRANSFER. No subletting or assignment, even with the consent of Landlord, shall relieve Tenant, or any successor-in-interest to Tenant hereunder, of its obligation to pay rent and to perform all its other obligations under this Lease. Each assignee, other than Landlord, shall be deemed to assume all obligations of Tenant under this Lease and shall be liable jointly and severally with Tenant for the payment of all rent, and for the due performance of all of Tenant's obligations, under this Lease. Such joint and several liability shall not be discharged or impaired by any subsequent modification or extension of this Lease. Consent by Landlord to one or more transfers shall not operate as a waiver or estoppel to the future enforcement by Landlord of its rights under this Lease.

9.5 SUBLEASE REQUIREMENTS. Any sublease, license, concession or other occupancy agreement entered into by Tenant shall be subordinate and subject to the provisions of this Lease, and if this Lease is terminated during the term of any such agreement, Landlord shall have the right to: (i) treat such agreement as cancelled and repossess the subject space by any lawful means, or (ii) require that such transferee attorn to and recognize Landlord as its landlord (or licensor, as applicable) under such agreement. Landlord shall not, by reason of such attornment or the collection of sublease rentals, be deemed liable to the subtenant for the performance of any of Tenant's obligations under the sublease. If Tenant is in Default (hereinafter defined), Landlord is irrevocably authorized to direct any transferee under any such agreement to make all payments under such agreement directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such Default is cured. No collection or acceptance of rent by Landlord from any transferee shall be deemed a waiver of any provision of Article 9 of this Lease, an approval of any transferee, or a release of Tenant from any obligation under this Lease, whenever accruing. In no event shall Landlord's enforcement of any provision of this Lease against any transferee be deemed a waiver of Landlord's right to enforce any term of this Lease against Tenant or any other person.

ARTICLE 10 INSURANCE AND INDEMNITY

10.1 TENANT'S INSURANCE. Tenant, at its sole cost and expense, shall provide and maintain in effect the insurance described in **Exhibit D**. Evidence of that insurance must be delivered to Landlord prior to the Commencement Date.

10.2 LANDLORD'S INSURANCE. Landlord shall provide the following types of insurance, with or without deductible and in amounts and coverages as may be determined by Landlord in its discretion: property insurance, subject to

standard exclusions (such as, but not limited to, earthquake and flood exclusions), covering the Building or Project. In addition, Landlord may, at its election, obtain insurance coverages for such other risks as Landlord or its Mortgagees may from time to time deem appropriate, including earthquake, terrorism and commercial general liability coverage. Landlord shall not be required to carry insurance of any kind on any tenant improvements or Alterations in the Premises installed by Tenant or its contractors or otherwise removable by Tenant (collectively, "**Tenant Installations**"), or on any trade fixtures, furnishings, equipment, interior plate glass, signs or items of personal property in the Premises, and Landlord shall not be obligated to repair or replace any of the foregoing items should damage occur. All proceeds of insurance maintained by Landlord upon the Building and Project shall be the property of Landlord, whether or not Landlord is obligated to or elects to make any repairs.

10.3 TENANT'S INDEMNITY. To the fullest extent permitted by law, but subject to Section 10.5 below, Tenant shall defend, indemnify and hold harmless Landlord and Landlord's agents, employees, lenders, and affiliates, from and against any and all negligence, claims, liabilities, damages, costs or expenses arising either before or after the Commencement Date which arise from or are caused by Tenant's use or occupancy of the Premises, the Building or the Common Areas of the Project, or from the conduct of Tenant's business, or from any activity, work, or thing done, permitted or suffered by Tenant or Tenant's agents, employees, subtenants, vendors, contractors, invitees or licensees in or about the Premises, the Building or the Common Areas of the Project, or from any Default in the performance of any obligation on Tenant's part to be performed under this Lease, or from any act, omission or negligence on the part of Tenant or Tenant's agents. employees, subtenants, vendors, contractors, invitees or licensees. Landlord may, at its option, require Tenant to assume Landlord's defense in any action covered by this Section 10.3 through counsel reasonably satisfactory to Landlord. Notwithstanding the foregoing, Tenant shall not be obligated to indemnify Landlord against any liability or expense to the extent that the same was caused by the negligence or willful misconduct of Landlord, its agents, contractors or employees.

10.4 LANDLORD'S NONLIABILITY. Unless caused by the negligence or intentional misconduct of Landlord, its agents, employees or contractors but subject to Section 10.4 below, Landlord shall not be liable to Tenant, its employees, agents and invitees, and Tenant hereby waives all claims against Landlord, its employees and agents for loss of or damage to any property, or any injury to any person, resulting from any condition including, but not limited to, acts or omissions (criminal or otherwise) of third parties and/or other tenants of the Project, or their agents, employees or invitees, fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak or flow from or into any part of the Premises or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning, electrical works or other fixtures in the Building, whether the damage or injury results from conditions arising in the Premises or in other portions of the Building. It is understood that any such condition may require the temporary evacuation or closure of all or a portion of the Building. Should Tenant elect to receive any service from a concessionaire, licensee or third party tenant of Landlord, Tenant shall not seek recourse against Landlord for any breach or liability of that service provider. Notwithstanding anything to the contrary contained in this Lease, in no event shall Landlord be liable for Tenant's loss or interruption of business or income (including without limitation, Tenant's consequential damages, lost profits or opportunity costs), or for interference with light or other similar intangible interests.

10.5 WAIVER OF SUBROGATION. Landlord and Tenant each hereby waives all rights of recovery against the other on account of loss and damage occasioned to the property of such waiving party to the extent that the waiving party is entitled to proceeds for such loss and damage under any property insurance policies carried or otherwise required to be carried by this Lease; provided however, that the foregoing waiver shall not apply to the extent of Tenant's obligation to pay deductibles under any such policies and this Lease. By this waiver it is the intent of the parties that neither Landlord nor Tenant shall be liable to any insurance company (by way of subrogation or otherwise) insuring the other party for any loss or damage insured against under any property insurance policies, even though such loss or damage might be occasioned by the negligence of such party, its agents, employees, contractors or invitees. The foregoing waiver by Tenant shall also inure to the benefit of Landlord's management agent for the Building.

ARTICLE 11 DAMAGE OR DESTRUCTION

11.1 RESTORATION

(a) If the Building of which the Premises are a part is damaged as the result of an event of casualty, then subject to the provisions below, Landlord shall repair that damage as soon as reasonably possible unless Landlord reasonably determines that: (i) the Premises have been materially damaged and there is less than 1 year of the Term remaining on the date of the casualty; (ii) any Mortgagee (defined in Section 13.1) requires that the insurance proceeds be applied to tile payment of the mortgage debt; or (iii) proceeds necessary to pay the full cost of the repair are not available from Landlord's insurance, including without limitation earthquake insurance. Should Landlord elect not to repair the damage for one of the preceding reasons, Landlord shall so notify Tenant in the "Casualty Notice" (as defined below), and this Lease shall terminate as of the date of delivery of that notice.

(b) As soon as reasonably practicable following the casualty event but not later than 60 days thereafter, Landlord shall notify Tenant in writing ("**Casualty Notice**") of Landlord's election, if applicable, to terminate this Lease. If this Lease is not so terminated, the Casualty Notice shall set forth the anticipated period for repairing the casualty damage, If the

anticipated repair period exceeds 180 days and if the damage is so extensive as to reasonably prevent Tenant's substantial use and enjoyment of the Premises, then either party may elect to terminate this Lease by written notice to the other within 10 days following delivery of the Casualty Notice. If Landlord has the right to terminate this Lease pursuant to this Section 11.1(a), Landlord agrees to exercise such right in a nondiscriminatory fashion among tenants in the Building. Consideration of the following factors in arriving at its decision shall not be deemed discriminatory: length of term remaining on the Lease, time needed to repair and restore, costs of repair and restoration not covered by insurance proceeds, Landlord's plans to repair and restore Common Areas serving the Premises, Landlord's plans for repair and restoration of the Building, and other factors (other than the rental rates payable under the leases in question) relevant to Landlord's decision as long as they are applied to Tenant in the same manner as other tenants.

(c) In the event that neither Landlord nor Tenant terminates this Lease pursuant to Section 11.1(b), Landlord shall repair all material damage to the Premises or the Building as soon as reasonably possible and this Lease shall continue in effect for the remainder of the Term. Upon notice from Landlord, Tenant shall assign or endorse over to Landlord (or to any party designated by Landlord) all property insurance proceeds payable to Tenant under Tenant's insurance with respect to any Tenant Installations; provided if the estimated cost to repair such Tenant Installations exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, the excess cost of such repairs shall be paid by Tenant to Landlord prior to Landlord's commencement of repairs. Within 15 days of demand, Tenant shall also pay Landlord for any additional excess costs that are determined during the performance of the repairs to such Tenant Installations. However, notwithstanding the foregoing, if Tenant has maintained the insurance required to be maintained by Tenant pursuant to the terms of **Exhibit D** of this Lease throughout the Term, and if the proceeds from the insurance required to be maintained by Tenant with respect to the Alterations have been paid to Landlord prior to Landlord commencing repair of the Alterations, then Landlord agrees Tenant shall not be required to pay any deficiency between the estimated or actual Alteration repair costs and the insurance proceeds received by Landlord from Tenant's insurance until after substantial completion of the repairs to the Alterations, and such sums shall be payable by Tenant within 15 days after demand of Landlord.

(d) From and after the 6th business day following the casualty event, the rental to be paid under this Lease shall be abated in the same proportion that the Floor Area of the Premises that is rendered unusable by the damage from time to time bears to the total Floor Area of the Premises,

(e) Notwithstanding the provisions of subsections (a), (b) and (c) of this Section 11.1, but subject to Section 10.5, the cost of any repairs shall be borne by Tenant, and Tenant shall not be entitled to rental abatement or termination rights, if the damage is due to the gross negligence or willful misconduct of Tenant or its employees, subtenants, contractors, invitees or representatives. In addition, the provisions of this Section 11.1 shall not be deemed to require Landlord to repair any Tenant Installations, fixtures and other items that Tenant is obligated to insure pursuant to **Exhibit D** or under any other provision of this Lease.

11.2 LEASE GOVERNS. Tenant agrees that the provisions of this Lease, including without limitation Section 11.1, shall govern any damage or destruction and shall accordingly supersede any contrary statute or rule of law.

ARTICLE 12 EMINENT DOMAIN

Either party may terminate this Lease if any material part of the Premises is taken or condemned for any public or quasi-public use under Law, by eminent domain or private purchase in lieu thereof (a "**Taking**"). Landlord shall also have the right to terminate this Lease if there is a Taking of any portion of the Building or Project which would have a material adverse effect on Landlord's ability to profitably operate the remainder of the Building, The termination shall be effective as of the effective date of any order granting possession to, or vesting legal title in, the condemning authority. If this Lease is not terminated, Basic Rent and Tenant's Share of Operating Expenses shall be appropriately adjusted to account for any reduction in the square footage of the Building or Premises. All compensation awarded for a Taking shall be the property of Landlord and the right to receive compensation or proceeds in connection with a Taking are expressly waived by Tenant; provided, however, Tenant may file a separate claim for Tenant's personal property and Tenant's reasonable relocation expenses, provided the filing of the claim does not diminish the amount of Landlord's award. If only a part of the Premises is subject to a Taking and this Lease is not terminated, Landlord, with reasonable diligence, will restore the remaining portion of the Premises as nearly as practicable to the condition immediately prior to the Taking. Tenant agrees that the provisions of this Lease shall govern any Taking and shall accordingly supersede any contrary statute or rule of law.

ARTICLE 13 SUBORDINATION; ESTOPPEL CERTIFICATE

13.1 SUBORDINATION. Tenant accepts this Lease subject and subordinate to any mortgage(s), deed(s) of trust, ground lease(s) or other lien(s) now or subsequently arising upon the Premises, the Building or the Project, and to renewals, modifications, refinancings and extensions thereof (collectively referred to as a "**Mortgage**"). The party having the benefit of a Mortgage shall be referred to as a "**Mortgagee**". This clause shall be self-operative, but upon request from a Mortgagee, Tenant shall execute a commercially reasonable subordination and attornment agreement in favor of the Mortgagee, provided such agreement provides a non-disturbance covenant benefiting Tenant. Alternatively, a Mortgagee shall have the right at any time to subordinate its Mortgage to this Lease. Upon request, Tenant, without charge, shall attorn to any successor to Landlord's interest in this Lease in the event of a foreclosure of any mortgage, Tenant agrees that any

purchaser at a foreclosure sale or lender taking title under a deed in lieu of foreclosure shall not be responsible for any act or omission of a prior landlord, shall not be subject to any offsets or defenses Tenant may have against a prior landlord, and shall not be liable for the return of the Security Deposit not actually recovered by such purchaser nor bound by any rent paid in advance of the calendar month in which the transfer of title occurred; provided that the foregoing shall not release the applicable prior landlord from any liability for those obligations. Tenant acknowledges that Landlord's Mortgagees and their successors-in-interest are intended third party beneficiaries of this Section 13.1.

13.2 ESTOPPEL CERTIFICATE. Tenant shall, within 15 days after receipt of a written request from Landlord, execute and deliver a commercially reasonable estoppel certificate in favor of those parties as are reasonably requested by Landlord (including a Mortgagee or a prospective purchaser of the Building or the Project).

ARTICLE 14 DEFAULTS AND REMEDIES

14.1 TENANT'S DEFAULTS. In addition to any other event of default set forth in this Lease, the occurrence of any one or more of the following events shall constitute a "**Default**" by Tenant:

(a) The failure by Tenant to make any payment of Rent required to be made by Tenant, as and when due, where the failure continues for a period of 5 business days after written notice from Landlord to Tenant. The term "**Rent**" as used in this Lease shall be deemed to mean the Basic Rent and all other sums required to be paid by Tenant to Landlord pursuant to the terms of this Lease.

(b) The assignment, sublease, encumbrance or other Transfer of the Lease by Tenant, either voluntarily or by operation of law. whether by judgment, execution, transfer by intestacy or testacy, or other means, without the prior written consent of Landlord unless otherwise authorized in Article 9 of this Lease.

(c) The discovery by Landlord that any financial statement provided by Tenant, or by any affiliate, successor or guarantor of Tenant, was materially false.

(d) Except where a specific time period is otherwise set forth for Tenant's performance in this Lease (in which event the failure to perform by Tenant within such time period shall be a Default), the failure or inability by Tenant to observe or perform any of the covenants or provisions of this Lease to be observed or performed by Tenant, other than as specified in any other subsection of this Section 14.1, where the failure continues for a period of 30 days after written notice from Landlord to Tenant. However, if the nature of the failure is such that more than 30 days are reasonably required for its cure, then Tenant shall not be deemed to be in Default if Tenant commences the cure within 30 days, and thereafter diligently pursues the cure to completion.

The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided by law. and Landlord shall not be required to give any additional notice under California Code of Civil Procedure Section 1161, or any successor statute, in order to be entitled to commence an unlawful detainer proceeding.

14.2 LANDLORD'S REMEDIES.

(a) Upon the occurrence of any Default by Tenant, then in addition to any other remedies available to Landlord, Landlord may exercise the following remedies:

(i) Landlord may terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. Such termination shall not affect any accrued obligations of Tenant under this Lease. Upon termination, Landlord shall have the right to reenter the Premises and remove all persons and property. Landlord shall also be entitled to recover from Tenant:

(1) The worth at the time of award of the unpaid Rent which had been earned at the time of termination;

(2) The worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such loss that Tenant proves could have been reasonably avoided;

(3) The worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such loss that Tenant proves could be reasonably avoided;

(4) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result from Tenant's default, including. but not limited to. the cost of recovering possession of the Premises, commissions and other expenses of reletting, including necessary repair, renovation, improvement and alteration of the Premises for a new tenant, reasonable attorneys' fees, and any other reasonable costs; and

(5) At Landlord's election, all other amounts in addition to or in lieu of the foregoing as may be permitted by law. Any sum, other than Basic Rent, shall be computed on the basis of the average monthly amount accruing during the 24 month period immediately prior to Default, except that if it becomes necessary to compute such rental before the 24 month period has occurred, then the computation shall be on the basis of the average monthly amount during

the shorter period. As used in subparagraphs (1) and (2) above, the "worth at the time of award" shall be computed by allowing interest at the rate of 10% per annum. As used in subparagraph (3) above, the "worth at the time of award" shall be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus 1%.

(ii) Landlord may elect not to terminate Tenants right to possession of the Premises, in which event Landlord may continue to enforce all of its rights and remedies under this Lease, including the right to collect all rent as it becomes due. Efforts by the Landlord to maintain, preserve or relet the Premises, or the appointment of a receiver to protect the Landlord's interests under this Lease, shall not constitute a termination of the Tenant's right to possession of the Premises. In the event that Landlord elects to avail itself of the remedy provided by this subsection (ii), Landlord shall not unreasonably withhold its consent to an assignment or subletting of the Premises subject to the reasonable standards for Landlord's consent as are contained in this Lease.

14.3 The various rights and remedies reserved to Landlord in this Lease or otherwise shall be cumulative and, except as otherwise provided by California law, Landlord may pursue any or all of its rights and remedies at the same time. No delay or omission of Landlord to exercise any right or remedy shall be construed as a waiver of the right or remedy or of any breach or Default by Tenant. The acceptance by Landlord of rent shall not be a (i) waiver of any preceding breach or Default by Tenant of any provision of this Lease, other than the failure of Tenant to pay the particular rent accepted, regardless of Landlord's knowledge of the preceding breach or Default at the time of acceptance of rent, or (ii) a waiver of Landlord's right to exercise any remedy available to Landlord by virtue of the breach or Default. The acceptance of any payment from a debtor in possession, a trustee, a receiver or any other person acting on behalf of Tenant or Tenant's estate shall not waive or cure a Default under Section 14.1. No payment by Tenant or receipt by Landlord of a lesser amount than the rent required by this Lease shall be deemed to be other than a partial payment on account of the earliest due stipulated rent, nor shall any endorsement or statement on any check or letter be deemed an accord and satisfaction and Landlord shall accept the check or payment without prejudice to Landlord's right to recover the balance of the rent or pursue any other remedy available to it. Tenant hereby waives any right of redemption or relief from forfeiture under California Code of Civil Procedure Section 1174 or 1179, or under any successor statute, in the event this Lease is terminated by reason of any Default by Tenant. No act or thing done by Landlord or Landlord's agents during the Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender shall be valid unless in writing and signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys to the Premises prior to the termination of this Lease, and the delivery of the keys to any employee shall not operate as a termination of the Lease or a surrender of the Premises.

14.4 LATE PAYMENTS. Any Rent due under this Lease that is not paid to Landlord within 5 business days of the date when due shall bear interest at the maximum rate permitted by law from the date due until fully paid. The payment of interest shall not cure any Default by Tenant under this Lease, In addition, Tenant acknowledges that the late payment by Tenant to Landlord of rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult and impracticable to ascertain. Those costs may include, but are not limited to, administrative, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any ground lease, mortgage or trust deed covering the Premises. Accordingly, if any rent due from Tenant shall not be received by Landlord or Landlord's designee within 5 business days after the date due, then Tenant shall pay to Landlord, in addition to the interest provided above, a late charge for each delinquent payment equal to the greater of (i) 5% of that delinquent payment or (ii) $100.00. Acceptance of a late charge by Landlord shall not constitute a waiver of Tenant's Default with respect to the overdue amount, nor shall it prevent Landlord from exercising any of its other rights and remedies.

14.5 RIGHT OF LANDLORD TO PERFORM. If Tenant is in Default of any of its obligations under the Lease, Landlord shall have the right to perform such obligations. Tenant shall reimburse Landlord for the cost of such performance upon demand together with an administrative charge equal to 10% of the cost of the work performed by Landlord.

14.6 DEFAULT BY LANDLORD. Landlord shall not be deemed to be in default in the performance of any obligation under this Lease unless and until it has failed to perform the obligation within 30 days after written notice by Tenant to Landlord specifying in reasonable detail the nature and extent of the failure; provided, however, that if the nature of Landlord's obligation is such that more than 30 days are required for its performance, then Landlord shall not be deemed to be in default if it commences performance within the 30 day period and thereafter diligently pursues the cure to completion. Tenant hereby waives any right to terminate or rescind this Lease as a result of any default by Landlord hereunder or any breach by Landlord of any promise or inducement relating hereto, and Tenant agrees that its remedies shall be limited to a suit for actual damages and/or injunction and shall in no event include any consequential damages, lost profits or opportunity costs.

14.7 EXPENSES AND LEGAL FEES. Should either Landlord or Tenant bring any action in connection with this Lease, the prevailing party shall be entitled to recover as a part of the action its reasonable attorneys' fees, and all other reasonable costs. The prevailing party for the purpose of this paragraph shall be determined by the trier of the facts.

14.8 WAIVER OF JURY TRIAL/JUDICIAL REFERENCE.

(a) **LANDLORD AND TENANT EACH ACKNOWLEDGES THAT IT IS AWARE OF AND HAS HAD THE ADVICE OF COUNSEL OF ITS CHOICE WITH RESPECT TO ITS RIGHT TO TRIAL BY JURY, AND EACH PARTY DOES HEREBY EXPRESSLY AND KNOWINGLY WAIVE AND RELEASE ALL SUCH RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY HERETO AGAINST THE OTHER (AND/OR AGAINST ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR SUBSIDIARY OR AFFILIATED ENTITIES) ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM OF INJURY OR DAMAGE.**

(b) In the event that the jury waiver provisions of Section 14.7(a) are not enforceable under California law, then, unless otherwise agreed to by the parties, the provisions of this Section 14.7(b) shall apply. Landlord and Tenant agree that any disputes arising in connection with this Lease (including but not limited to a determination of any and all of the issues in such dispute. whether of fact or of law) shall be resolved (and a decision shall be rendered) by way of a general reference as provided for in Part 2, Title 8, Chapter 6 (§§ 638 et. seq.) of the California Code of Civil Procedure, or any successor California statute governing resolution of disputes by a court appointed referee. Nothing within this Section 14.7 shall apply to an unlawful detainer action.

14.9 SATISFACTION OF JUDGMENT. The obligations of Landlord do not constitute the personal obligations of the individual partners, trustees, directors, officers, members or shareholders of Landlord or its constituent partners or members. Should Tenant recover a money judgment against Landlord, such judgment shall be satisfied only from the interest of Landlord in the Project and out of the rent or other income from such property receivable by Landlord, and no action for any deficiency may be sought or obtained by Tenant.

ARTICLE 15 END OF TERM

15.1 HOLDING OVER. If Tenant holds over for any period after the Expiration Date (or earlier termination of the Term) without the prior written consent of Landlord, such tenancy shall constitute a tenancy at sufferance only and a Default by Tenant; such holding over with the prior written consent of Landlord shall constitute a month-to-month tenancy commencing on the 1st day following the termination of this Lease and terminating 30 days following delivery of written notice of termination by either Landlord or Tenant to the other. In either of such events, possession shall be subject to all of the terms of this Lease, except that the monthly rental shall be 150% of the total monthly rental for the month immediately preceding the date of termination, subject to Landlord's right to modify same upon 30 days notice to Tenant. The acceptance by Landlord of monthly hold-over rental in a lesser amount shall not constitute a waiver of Landlord's right to recover the full amount due unless otherwise agreed in writing by Landlord. If Tenant fails to vacate the Premises within 15 days after Landlord notifies Tenant that Landlord has entered into a lease for the Premises or has received a bona fide offer to lease the Premises and that Landlord will be unable to deliver possession or perform improvements due to Tenant's holdover, and if Landlord is unable to deliver possession of the Premises to a new tenant or to perform improvements for a new tenant as a result of Tenant's holdover, then Tenant shall be liable for all damages that Landlord suffers from the holdover. Tenant shall also indemnify and hold Landlord harmless from all loss or liability. including without limitation, any claims made by any succeeding tenant relating to such failure to surrender. The foregoing provisions of this Section 15.1 are in addition to and do not affect Landlord's right of re-entry or any other rights of Landlord under this Lease or at law.

15.2 SURRENDER OF PREMISES; REMOVAL OF PROPERTY. Upon the Expiration Date or upon any earlier termination of this Lease, Tenant shall quit and surrender possession of the Premises to Landlord in as good order, condition and repair as when received or as hereafter may be improved by Landlord or Tenant, reasonable wear and tear and repairs which are Landlord's obligation excepted. and shall remove or fund to Landlord the cost of removing all wallpapering, voice and/or data transmission cabling installed by or for Tenant and Required Removables, together with all personal property and debris, and shall perform all work required under Section 7.3 of this Lease. If Tenant shall fail to comply with the provisions of this Section 15.2, Landlord may effect the removal and/or make any repairs, and the cost to Landlord shall be additional rent payable by Tenant upon demand.

ARTICLE 16 PAYMENTS AND NOTICES

All sums payable by Tenant to Landlord shall be paid, without deduction or offset, except as provided in this Lease, in lawful money of the United States to Landlord at its address set forth in Item 12 of the Basic Lease Provisions, or at any other place as Landlord may designate in writing. Unless this Lease expressly provides otherwise, as for example in the payment of rent pursuant to Section 4.1, all payments shall be due and payable within 5 business days after demand. All payments requiring proration shall be prorated on the basis of the number of days in the pertinent calendar month or year, as applicable. Any notice, election, demand, consent, approval or other communication to be given or other document to be delivered by either party to the other may be delivered to the other party, at the address set forth in Item 12 of the Basic Lease Provisions, by personal service, or by any courier or "overnight" express mailing service. Either party may, by written notice to the other, served in the manner provided In this Article, designate a different address. The refusal to accept delivery of a notice, or the inability to deliver the notice (whether due to a change of address for which notice was not duly given or other good reason), shall be deemed delivery and receipt of the notice as of the date of attempted delivery. If more than one person or entity is named as Tenant under this Lease, service of any notice upon any one of them shall be deemed as service upon all of them.

ARTICLE 17 RULES AND REGULATIONS

Tenant agrees to comply with the Rules and Regulations attached as **Exhibit E**, and any reasonable and nondiscriminatory amendments, modifications and/or additions as may be adopted and published by written notice to tenants by Landlord for the safety, care, security, good order, or cleanliness of the Premises, Building, Project and/or Common Areas by Landlord from time to time (provided such rules and regulations adopted by Landlord after the date of this Lease shall not impose any additional unreasonable burdens or additional unreasonable liabilities on Tenant). Landlord shall not be liable to Tenant for any violation of the Rules and Regulations or the breach of any covenant or condition in any lease or any other act or conduct by any other tenant, and the same shall not constitute a constructive eviction hereunder. One or more waivers by Landlord of any breach of the Rules and Regulations by Tenant or by any other tenant(s) shall not be a waiver of any subsequent breach of that rule or any other, Tenant's failure to keep and observe the Rules and Regulations shall constitute a default under this Lease. In the case of any conflict between the Rules and Regulations and this Lease, this Lease shall be controlling.

ARTICLE 18 BROKER'S COMMISSION

The parties recognize as the broker(s) who negotiated this Lease the firm(s) whose name(s) is (are) stated in Item 10 of the Basic Lease Provisions, and agree that Landlord shall be responsible for the payment of brokerage commissions to those broker(s) unless otherwise provided in this Lease. It is understood that Landlord's Broker represents only Landlord in this transaction and Tenant's Broker (if any) represents only Tenant. Each party warrants that it has had no dealings with any other real estate broker or agent in connection with the negotiation of this Lease, and agrees to indemnify and hold the other party harmless from any cost, expense or liability (including reasonable attorneys' fees) for any compensation, commissions or charges claimed by any other real estate broker or agent employed or claiming to represent or to have been employed by the indemnifying party in connection with the negotiation of this Lease. The foregoing agreement shall survive the termination of this Lease.

ARTICLE 19 TRANSFER OF LANDLORD'S INTEREST

In the event of any transfer of Landlord's interest in the Premises, the transferor shall be automatically relieved of all obligations on the part of Landlord accruing under this Lease from and after the date of the transfer, provided that Tenant is duly notified of the transfer, . Any funds held by the transferor in which Tenant has an interest, including without limitation, the Security Deposit, shall be turned over, subject to that interest, to the transferee, No Mortgagee to which this Lease is or may be subordinate shall be responsible in connection with the Security Deposit unless the Mortgagee actually receives the Security Deposit. It is intended that the covenants and obligations contained in this Lease on the part of Landlord shall, subject to the foregoing, be binding on Landlord, its successors and assigns, only during and in respect to their respective successive periods of ownership, provided that Landlord and its successors, as the case may be, shall remain liable after their respective periods of ownership with respect to any sums due in connection with a breach or default by such party that arose during such period of ownership by such party.

ARTICLE 20 INTERPRETATION

20.1 NUMBER. Whenever the context of this Lease requires, the words "Landlord" and "Tenant" shall include the plural as well as the singular.

20.2 HEADINGS. The captions and headings of the articles and sections of this Lease are for convenience only, are not a part of this Lease and shall have no effect upon its construction or interpretation.

20.3 JOINT AND SEVERAL LIABILITY, If more than one person or entity is named as Tenant, the obligations imposed upon each shall be joint and several and the act of or notice from, or notice or refund to, or the signature of, any one or more of them shall be binding on all of them with respect to the tenancy of this Lease, including, but not limited to, any renewal, extension, termination or modification of this Lease.

20.4 SUCCESSORS. Subject to Sections 13,1 and 22.3 and to Articles 9 and 19 of this Lease, all rights and liabilities given to or imposed upon Landlord and Tenant shall extend to and bind their respective heirs, executors, administrators, successors and assigns. Nothing contained in this Section 20.4 is intended, or shall be construed, to grant to any person other than Landlord and Tenant and their successors and assigns any rights or remedies under this Lease.

20.5 TIME OF ESSENCE. Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

20.6 CONTROLLING LAW/VENUE, This Lease shall be governed by and interpreted in accordance with the laws of the State of California. Should any litigation be commenced between the parties in connection with this Lease, such action shall be prosecuted in the applicable State Court of California in the county in which the Building is located.

20.7 SEVERABILITY. If any term or provision of this Lease, the deletion of which would not adversely affect the receipt of any material benefit by either party or *the* deletion of which is consented to by the party adversely affected, shall be held invalid or unenforceable to any extent, the remainder of this Lease shall not be affected and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

20.8 WAIVER. One or more waivers by Landlord or Tenant of any breach of any term, covenant or condition contained in this Lease shall not be a waiver of any subsequent breach of the same or any other term, covenant or condition. Consent to any act by one of the parties shall not be deemed to render unnecessary the obtaining of that party's consent to any subsequent act No breach of this Lease shall be deemed to have been waived unless the waiver is in a writing signed by the waiving party.

20.9 INABILITY TO PERFORM. In the event that either party shall be delayed or hindered in or prevented from the performance of any work or in performing any act required under this Lease by reason of any cause beyond the reasonable control of that party, then the performance of the work or the doing of the act shall be excused for the period of the delay and the time for performance shall be extended for a period equivalent to the period of the delay, The provisions of this Section 20.9 shall not operate to excuse Tenant from the prompt payment of Rent.

20.10 ENTIRE AGREEMENT. This Lease and its exhibits and other attachments cover in full each and every agreement of every kind between the parties concerning the Premises, the Building, and the Project, and all preliminary negotiations, oral agreements, understandings and/or practices, except those contained in this Lease, are superseded and of no further effect. Tenant waives its rights to rely on any representations or promises made by Landlord or others which are not contained in this Lease. No verbal agreement or implied covenant shall be held to modify the provisions of this Lease, any statute, law, or custom to the contrary notwithstanding.

20.11 QUIET ENJOYMENT. Upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, and subject to the other provisions of this Lease, Tenant shall have the right of quiet enjoyment and use of the Premises for the Term without hindrance or interruption by Landlord or any other person claiming by or through Landlord.

20.12 SURVIVAL. All covenants of Landlord or Tenant which reasonably would be intended to survive the expiration or sooner termination of this Lease, including without limitation any warranty or indemnity hereunder, shall so survive and continue to be binding upon and inure to the benefit of the respective parties and their successors and assigns.

ARTICLE 21 EXECUTION AND RECORDING

21.1 COUNTERPARTS; DIGITAL SIGNATURES. This Lease may be executed in one or more counterparts, each of which shall constitute an original and all of which shall be one and the same agreement. The parties agree to accept a digital image (including but not limited to an image In the form of a PDF, JPEG, GIF file, or other e-signature) of this Lease, if applicable, reflecting the execution of one or both of the parties, as a true and correct original.

21.2 CORPORATE AND PARTNERSHIP AUTHORITY. If Tenant is a corporation, limited liability company or partnership, each individual executing this Lease on behalf of the entity represents and warrants that such individual is duly authorized to execute and deliver this Lease and that this Lease is binding upon the corporation, limited liability company or partnership in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of its organizational documents or an appropriate certificate authorizing or evidencing the execution of this Lease.

21.3 EXECUTION OF LEASE; NO OPTION OR OFFER. The submission of this Lease to Tenant shall be for examination purposes only, and shall not constitute an offer to or option for Tenant to lease the Premises. Execution of this Lease by Tenant and its return to Landlord shall not be binding upon Landlord, notwithstanding any time interval, until Landlord has in fact executed and delivered this Lease to Tenant, it being intended that this Lease shall only become effective upon execution by Landlord and delivery of a fully executed counterpart to Tenant.

21.4 RECORDING. Tenant shall not record this Lease without the prior written consent of Landlord. Tenant, upon the request of Landlord, shall execute and acknowledge a "short form" memorandum of this Lease for recording purposes.

21.5 AMENDMENTS. No amendment or mutual termination of this Lease shall be effective unless in writing signed by authorized signatories of Tenant and Landlord, or by their respective successors in interest. No actions, policies, oral or informal arrangements, business dealings or other course of conduct by or between the parties shall be deemed to modify this Lease in any respect.

21.6 BROKER DISCLOSURE. By the execution of this Lease, each of Landlord and Tenant hereby acknowledge and confirm (a) receipt of a copy of a Disclosure Regarding Real Estate Agency Relationship conforming to the requirements of California Civil Code 2079.16, and (b) the agency relationships specified in Section 10 of the Basic Lease Provisions, which acknowledgement and confirmation is expressly made for the benefit of Tenant's Broker identified in Section 10 of the Basic Lease Provisions. If there is no Tenant's Broker so identified in Section 10 of the Basic Lease Provisions, then such acknowledgement and confirmation is expressly made for the benefit of Landlord's Broker. By the execution of this Lease, Landlord and Tenant are executing the confirmation of the agency relationships set forth in Section 10 of the Basic Lease Provisions.

ARTICLE 22 MISCELLANEOUS

22.1 NONDISCLOSURE OF LEASE TERMS. Tenant acknowledges that the content of this Lease and any related documents are confidential information. Except to the extent disclosure is required by law, Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal and space-planning consultants, provided, however, that Tenant may disclose the terms to prospective subtenants or assignees under this Lease or pursuant to legal requirement.

22.2 TENANT'S FINANCIAL STATEMENTS. The application, financial statements and tax returns, if any, submitted and certified to by Tenant as an accurate representation of its financial condition have been prepared, certified and submitted to Landlord as an inducement and consideration to Landlord to enter into this Lease. Tenant shall during the Term (but no more than once each calendar year unless Tenant is in Default or in connection with a sale or financing of the Building or Project) furnish Landlord with current annual financial statements accurately reflecting Tenant's financial condition upon written request from Landlord within 10 days following Landlord's request; provided, however, that so long as Tenant is a publicly traded corporation on a nationally recognized stock exchange, the foregoing obligation to deliver the statements shall be waived. Except to the extent disclosure is required by law and for so long as Tenant is not in Default, Landlord shall keep confidential any financial statements marked or otherwise designated by Tenant as "confidential" and shall not disclose same, without Tenant's consent, to any person or entity other than Landlord's financial, legal and other consultants with a "need to know"; provided, however, that Landlord may disclose same to any prospective lender or buyer or pursuant to legal requirement, The provisions of this Section 22.2 shall supersede and terminate any prior confidentiality agreement executed by Landlord and Tenant.

22.3 MORTGAGEE PROTECTION. No act or failure to act on the part of Landlord which would otherwise entitle Tenant to be relieved of its obligations hereunder or to terminate this Lease shall result in such a release or termination unless (a) Tenant has given notice by registered or certified mail to any Mortgagee of a Mortgage covering the Building whose address has been furnished to Tenant and (b) such Mortgagee is afforded a reasonable opportunity to cure the default by Landlord (which shall in no event be less than 60 days), including, if necessary to effect the cure, time to obtain possession of the Building by power of sale or judicial foreclosure provided that such foreclosure remedy is diligently pursued, Tenant shall comply with any written directions by any Mortgagee to pay Rent due hereunder directly to such Mortgagee without determining whether a default exists under such Mortgagee's Mortgage.

22.4 SDN LIST, Landlord and Tenant hereby represent and warrant that neither Landlord or Tenant or any of its respective officers, directors, partners, members or other principals of Tenant (collectively, "**Tenant Parties**") is listed as a Specially Designated national and Blocked Person ("**SDN**") on the list of such persons and entitles issued by the U.S. Treasury Office of Foreign Assets Control ("**OFAC**").

LANDLORD:

THE IRVINE COMPANY LLC,
a Delaware limited liability company

By: /s/ Thomas Greubel
Thomas Greubel
Vice President, Leasing
Office Properties

By: /s/ Michael T. Bennett
Michael T. Bennett
Senior Vice President, Operations
Office Properties

TENANT:

AXONICS MODULATION TECHNOLOGIES, INC.,
a Delaware corporation

By: /s/ Raymond W. Cohen

Printed Name: Raymond W. Cohen

Title: Chief Executive Officer

By: /s/ Dan L. Dearen

Printed Name: Dan L. Dearen

Title: Chief Operating & Financial Officer

EXHIBIT B
Operating Expenses
(Net)

(a) From and after the Commencement Date, Tenant shall pay to Landlord, as additional rent, Tenant's Share of all Operating Expenses, as defined in Section (f) below, incurred by Landlord in the operation of the Building and the Project. The term "**Tenant's Share**" means 100% of the Operating Expenses determined by Landlord to benefit or relate substantially to the Building, plus that portion of any Operating Expenses determined by multiplying the cost of such item by a fraction, the numerator of which is the Floor Area and the denominator of which is the total rentable square footage, as determined from time to time by Landlord, of all or some of the buildings in the Project, for expenses determined by Landlord to benefit or relate substantially to all or some of the buildings in the Project rather than any specific building. Landlord reserves the right to allocate to the entire Project any Operating Expenses which may benefit or substantially relate to a particular building within the Project in order to maintain greater consistency of Operating Expenses among buildings within the Project. In the event that Landlord determines that the Premises or the Building incur a non-proportional benefit from any expense, or is the non-proportional cause of any such expense, Landlord may allocate a greater percentage of such Operating Expense to the Premises or the Building. In the event that any management and/or overhead fee payable or imposed by Landlord for the management of Tenant's Premises is calculated as a percentage of the rent payable by Tenant and other tenants of Landlord, then the full amount of such management and/or overhead fee which is attributable to the rent paid by Tenant shall be additional rent payable by Tenant, in full, provided, however, that Landlord may elect to include such full amount as part of Tenant's Share of Operating Expenses.

(b) Commencing prior to the start of the first full "**Expense Recovery Period**" of the Lease (as defined in Item 7 of the Basic Lease Provisions), and prior to the start of each full or partial Expense Recovery Period thereafter, Landlord shall give Tenant a written estimate of the amount of Tenant's Share of Operating Expenses for the applicable Expense Recovery Period. Tenant shall pay the estimated amounts to Landlord in equal monthly installments, in advance, concurrently with payments of Basic Rent. If Landlord has not furnished its written estimate for any Expense Recovery Period by the time set forth above, Tenant shall continue to pay monthly the estimated Tenant's Share of Operating Expenses in effect during the prior Expense Recovery Period; provided that when the new estimate is delivered to Tenant, Tenant shall, at the next monthly payment date, pay any accrued estimated Tenant's Share of Operating Expenses based upon the new estimate, Landlord may from time to time change the Expense Recovery Period to reflect a calendar year or a new fiscal year of Landlord, as applicable, in which event Tenant's Share of Operating Expenses shall be equitably prorated for any partial year,

(c) Within 180 days after the end of each Expense Recovery Period, Landlord shall furnish to Tenant a statement (a "**Reconciliation Statement**") showing in reasonable detail the actual or prorated Tenant's Share of Operating Expenses incurred by Landlord during such Expense Recovery Period, and the parties shall within 30 days thereafter make any payment or allowance necessary to adjust Tenant's estimated payments of Tenant's Share of Operating Expenses, if any, to the actual Tenant's Share of Operating Expenses as shown by the Reconciliation Statement. Any delay or failure by Landlord in delivering any Reconciliation Statement shall not constitute a waiver of Landlord's right to require Tenant to pay Tenant's Share of Operating Expenses pursuant hereto. Any amount due Tenant shall be credited against installments next coming due under this **Exhibit B**, and any deficiency shall be paid by Tenant together with the next installment, Should Tenant fail to object in writing to Landlord's determination of Tenant's Share of Operating Expenses within 60 days following delivery of Landlord's Reconciliation Statement, Landlord's determination of Tenant's Share of Operating Expenses for the applicable Expense Recovery Period shall be conclusive and binding on Tenant for all purposes and any future claims by Tenant to the contrary shall be barred.

(d) Even though this Lease has terminated and the Tenant has vacated the Premises, when the final determination is made of Tenant's Share of Operating Expenses for the Expense Recovery Period in which this Lease terminates, Tenant shall within 30 days of written notice pay the entire increase over the estimated Tenant's Share of Operating Expenses already paid. Conversely, any overpayment by Tenant shall be rebated by Landlord to Tenant not

later than 30 days after such final determination. However, in lieu thereof, Landlord may deliver a reasonable estimate of the anticipated reconciliation amount to Tenant prior to the Expiration Date of the Term, in which event the appropriate party shall fund the amount by the Expiration Date.

(e) If, at any time during any Expense Recovery Period, any one or more of the Operating Expenses are increased to a rate(s) or amount(s) in excess of the rate(s) or amount(s) used in calculating the estimated Tenant's Share of Operating Expenses for the year, then the estimate of Tenant's Share of Operating Expenses may be increased by written notice from Landlord for the month in which such rate(s) or amount(s) becomes effective and for all succeeding months by an amount equal to the estimated amount of Tenant's Share of the increase. Landlord shall give Tenant written notice of the amount or estimated amount of the increase, the month in which the increase will become effective, Tenant's Share thereof and the months for which the payments are due. Tenant shall pay the increase to Landlord as part of the Tenant's monthly payments of estimated expenses as provided in paragraph (b) above, commencing with the month in which effective.

(f) The term "**Operating Expenses**" shall mean and include all Project Costs, as defined in Section (g) below, and Property Taxes, as defined in Section (h) below.

(g) The term "**Project Costs**" shall mean all expenses of operation, management, repair, replacement and maintenance of the Building and the Project, including without limitation all appurtenant Common Areas (as defined in Section 6.2 of the Lease), and shall include the following charges by way of illustration but not limitation: water and sewer charges; insurance premiums, deductibles, or reasonable premium equivalents or deductible equivalents should Landlord elect to self insure any risk that Landlord is authorized to insure hereunder; license, permit, and inspection fees, light; power; window washing; trash pickup; janitorial services to any interior Common Areas; heating, ventilating and air conditioning; supplies; materials; equipment; tools; reasonable fees for consulting services; access control/security costs, inclusive of the reasonable cost of improvements made to enhance access control systems and procedures; establishment of reasonable reserves for replacement of the roof of the Building; costs incurred in connection with compliance with any laws or changes in laws applicable to the Building or the Project; the cost of any capital improvements or replacements (other than tenant improvements for specific tenants) to the extent of the amortized amount thereof over the useful life of such capital improvements or replacements (or, if such capital improvements or replacements are anticipated to achieve a cost savings as to the Operating Expenses, any shorter estimated period of time over which the cost of the capital improvements or replacements would be recovered from the estimated cost savings) calculated at a market cost of funds, all as determined by Landlord, for each year of useful life or shorter recovery period of such capital expenditure whether such capital expenditure occurs during or prior to the Term; costs associated with the maintenance of an air conditioning, heating and ventilation service agreement, and maintenance of any communications or networked data transmission equipment, conduit, cabling, wiring and related telecommunications facilitating automation and control systems. remote telecommunication or data transmission infrastructure within the Building and/or the Project, and any other maintenance. repair and replacement costs associated with such infrastructure; capital costs associated with a requirement related to demands on utilities by Project tenants, including without limitation the cost to obtain additional voice, data and modem connections; labor; reasonably allocated wages and salaries, fringe benefits, and payroll taxes for administrative and other personnel directly applicable to the Building and/or Project, including both Landlord's personnel and outside personnel; any expense incurred pursuant to Sections 6.1, 6.2, 7.2, 10.2, and **Exhibits C** and **F** of the Lease; and reasonable overhead and/or management fees for the professional operation of the Project. It is understood and agreed that Project Costs may include competitive charges for direct services (including, without limitation, management and/or operations services) provided by any subsidiary, division or affiliate of Landlord. Accounting for Operating Expenses shall be consistently applied throughout the Lease Term.

Notwithstanding the foregoing, Operating Expenses shall exclude the following:

(1) Any ground lease rental;

(2) Costs incurred by Landlord with respect to goods and services (including utilities sold and supplied to tenants and occupants of the Building) to the extent that Landlord is reimbursed for such costs other than through the Operating Expense pass-through provisions of such tenants' lease;

(3) Costs incurred by Landlord for repairs, replacements and/or restoration to or of the Building to the extent that Landlord is reimbursed by insurance or condemnation proceeds or by tenants (other than through Operating Expense pass-throughs), warrantors or other third persons;

(4) Costs, including permit, license and inspection costs, incurred with respect to the installation of tenant improvements made for other tenants in the Building or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Building;

(5) Costs arising from Landlord's charitable or political contributions;

(6) Attorneys' fees and other costs and expenses incurred in connection with negotiations or disputes with present or prospective tenants or other occupants of the Building, except those attorneys' fees and other costs and expenses incurred in connection with negotiations, disputes or claims relating to items of Operating Expenses, enforcement of rules and regulations of the Building and such other matters relating to the maintenance of standards required of Landlord under this Lease;

(7) Capital expenditures as determined in accordance with generally accepted accounting principles, consistently applied, and as generally practiced in the real estate industry ("**GAAP**"), except as otherwise provided above;

(8) Brokers commissions, finders' fees, attorneys' fees, entertainment and travel expenses and other costs incurred by Landlord in leasing or attempting to lease space in the Building;

(9) Expenses in connection with services or other benefits which are not offered to Tenant or for which Tenant is charged for directly but which are provided to another tenant or occupant of the Building;

(10) Costs incurred by Landlord due to the violation by Landlord of any law, code, regulation, or ordinance;

(11) Overhead and profit increments paid to subsidiaries or affiliates of Landlord for services provided to the Building to the extent the same exceeds the costs that would generally be charged for such services if rendered on a competitive basis (based upon a standard of similar office buildings in the general market area of the Premises) by unaffiliated third parties capable of providing such service;

(12) Interest on debt or amortization on any mortgage or mortgages encumbering the Building;

(13) Landlord's general corporate overhead, except as it relates to the specific management, operation, repair, replacement and maintenance of the Building or Project;

(14) Costs of installing the initial landscaping and the initial sculpture, paintings and objects of art for the Building and Project;

(15) Advertising expenditures;

(16) Any bad debt loss, rent loss, or reserves for bad debts or rent loss;

(17) Costs associated with the operation of the business of the partnership or entity which constitutes the Landlord, as the same are distinguished from the costs of the operation, management, repair, replacement and maintenance of the Project, including partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Project, and costs incurred in connection with any disputes between Landlord and its employees, between Landlord and Project management, or between Landlord and other tenants or occupants;

(18) The wages and benefits of any employee who does not devote substantially all of his or her employed time to the Project unless such wages and benefits are prorated to reflect time spent on operating and managing the Project vis-à-vis time spent on matters unrelated to operating and managing the Project; provided that in no event shall Project Costs include wages and/or benefits attributable to personnel above the level of portfolio property manager or chief engineer;

(19) Costs incurred by Landlord for improvements or replacements (including structural additions), repairs, equipment and tools which are of a "capital" nature and/or which are considered "capital" improvements or replacements under GAAP, except to the extent included in Project Costs pursuant to the definition above or by other express terms of this Lease; and

(20) Legal fees and costs, settlements, judgments or awards paid or incurred because of disputes between Landlord and other tenants or prospective occupants or prospective tenants/occupants or providers of goods and services to the Project.

(h) The term "**Property Taxes**" as used herein shall include any form of federal, state, county or local government or municipal taxes, fees, charges or other impositions of every kind (whether general, special, ordinary or extraordinary) related to the ownership, leasing or operation of the Premises, Building or Project, including without limitation, the following: (i) all real estate taxes or personal property taxes levied against the Premises, the Building or Project, as such property taxes may be reassessed from time to time; and (ii) other taxes, charges and assessments which are levied with respect to this Lease or to the Building and/or the Project, and any improvements, fixtures and equipment and other property of Landlord located in the Building and/or the Project, (iii) all assessments and fees for public improvements, services, and facilities and impacts thereon, including without limitation arising out of any Community Facilities Districts, "Mello Roos" districts, similar assessment districts, and any traffic impact mitigation assessments or fees; (iv) any tax, surcharge or assessment which shall be levied in addition to or in lieu of real estate or personal property taxes, and (v) taxes based on the receipt of rent (including gross receipts or sales taxes applicable to the receipt of rent), and (vi) costs and expenses incurred in contesting the amount or validity of any Property Tax by appropriate proceedings. Notwithstanding the foregoing, general net income or franchise taxes imposed against Landlord shall be excluded.

EXHIBIT C

UTILITIES AND SERVICE

Tenant shall be responsible for and shall pay promptly, directly to the appropriate supplier, all charges for electricity metered to the Premises, telephone, telecommunications service, janitorial service, interior landscape maintenance and all other utilities, materials and services furnished directly to Tenant or the Premises or used by Tenant in, on or about the Premises during the Term, together with any taxes thereon. Landlord shall make a reasonable determination of Tenant's proportionate share of the cost of water, gas, sewer, refuse pickup and any other utilities and services that are not separately metered to the Premises and services, and Tenant shall pay such amount to Landlord, as an item of additional rent, within 10 days after delivery of Landlord's statement or invoice therefor. Alternatively, Landlord may elect to include such cost in the definition of Project Costs in which event Tenant shall pay Tenant's proportionate share of such costs in the manner set forth in Section 4.2. Tenant shall also pay to Landlord as an item of additional rent, within 10 days after delivery of Landlord's statement or invoice therefor, Landlord's "standard charges" (as hereinafter defined, which shall be in addition to the electricity charge paid to the utility provider) for "after hours" usage by Tenant of each HVAC unit servicing the Premises. If the HVAC unit(s) servicing the Premises also serve other leased premises in the Building, "**after hours**" shall mean usage of said unit(s) before 6:00 A.M. or after 6:00 P.M., on Mondays through Fridays, before 9:00 A.M. or after 1:00 P.M. on Saturdays, and all day on Sundays and nationally-recognized holidays, subject to reasonable adjustment of said hours by Landlord. If the HVAC unit(s) serve only the Premises, "**after hours**" shall mean more than 283 hours of usage during any month during the Term. "After hours" usage shall be determined based upon the operation of the applicable HVAC unit during each of the foregoing periods on a "non-cumulative" basis (that is, without regard to Tenant's usage or nonusage of other unit(s) serving the Premises, or of the applicable unit during other periods of the Term). As used herein, "**standard charges**" shall mean the following charges for each hour of "after hours" use (in addition to the applicable electricity charges paid to the utility provider) of the following described HVAC units: (i) $5.00 per hour for 1-5 ton HVAC *units*, (ii) $7.50 per hour for 6-30 ton HVAC units and (iii) $10.00 per hour for HVAC units of greater than 30 tons.

EXHIBIT D

TENANTS INSURANCE

The following requirements for Tenant's insurance shall be in effect during the Term, and Tenant shall also cause any subtenant to comply with the requirements. Landlord reserves the right to adopt reasonable nondiscriminatory modifications and additions to these requirements.

1. Tenant shall maintain, at its sole cost and expense, during the entire Term: (i) commercial general liability insurance with respect to the Premises and the operations of Tenant in, on or about the Premises, on a policy form that is at least as broad as Insurance Service Office (ISO) CGL 00 01 (if alcoholic beverages are sold on the Premises, liquor liability shall be explicitly covered), which policy(ies) shall be written on an "occurrence" basis and for not less than $2,000,000 combined single limit per occurrence for bodily injury, death, and property damage liability; (ii) workers' compensation insurance coverage as required by law, together with employers' liability insurance coverage of at least $1,000,000 each accident and each disease; (iii) with respect to Alterations constructed by Tenant under this Lease, builder's risk insurance, in an amount equal to the replacement cost of the work; and (iv) insurance against fire, vandalism, malicious mischief and such other additional perils as may be included in a standard "special form" policy, insuring all Alterations, trade fixtures, furnishings, equipment and items of personal property in the Premises, in an amount equal to not less than 90% of their replacement cost (with replacement cost endorsement), which policy shall also include business interruption coverage in an amount sufficient to cover 1 year of loss. In no event shall the limits of any policy be considered as limiting the liability of Tenant under this Lease.

2. All policies of insurance required to be carried by Tenant pursuant to this **Exhibit D** shall be written by insurance companies authorized to do business in the State of California and with a general policyholder rating of not less than "A-" and financial rating of not less than 'VIII" in the most current Best's Insurance Report. The deductible or other retained limit under any policy carried by Tenant shall be commercially reasonable, and Tenant shall be responsible for payment of such deductible or retained limit with waiver of subrogation in favor of Landlord. Any insurance required of Tenant may be furnished by Tenant under any blanket policy carried by it or under a separate policy. A certificate of insurance, certifying that the policy has been issued, provides the coverage required by this Exhibit and contains the required provisions, together with endorsements acceptable to Landlord evidencing the waiver of subrogation and additional insured provisions required below, shall be delivered to Landlord prior to the date Tenant is given the right of possession of the Premises. Proper evidence of the renewal of any insurance coverage shall also be delivered to Landlord not less than thirty (30) days prior to the expiration of the coverage. In the event of a loss covered by any policy under which Landlord is an additional insured, Landlord shall be entitled to review a copy of such policy.

3. Tenant's commercial general liability insurance shall contain a provision that the policy shall be primary to and noncontributory with any policies carried by Landlord, together with a provision including Landlord and any other parties in interest designated by Landlord as additional insureds. Tenant's policies described in Subsections 1 (ii), (iii) and (iv) above shall each contain a waiver by the insurer of any right to subrogation against Landlord, its agents, employees, contractors and representatives. Tenant also waives its right of recovery for any deductible or retained limit under same policies enumerated above, All of Tenant's policies shall contain a provision that the insurer will not cancel or change the coverage provided by the policy without first giving Landlord 30 days prior written notice. Tenant shall also name Landlord as an additional insured on any excess or umbrella liability insurance policy carried by Tenant,

NOTICE TO TENANT: IN ACCORDANCE WITH THE TERMS OF THIS LEASE, TENANT MUST PROVIDE EVIDENCE OF THE REQUIRED INSURANCE TO LANDLORD'S MANAGEMENT AGENT PRIOR TO BEING AFFORDED ACCESS TO THE PREMISES.

EXHIBIT E

RULES AND REGULATIONS

The following Rules and Regulations shall be in effect at the Building. Landlord reserves the right to adopt reasonable nondiscriminatory modifications and additions at any time. In the case of any conflict between these regulations and the Lease, the Lease shall be controlling.

1. The sidewalks, halls, passages, elevators, stairways. and other common areas shall not be obstructed by Tenant or used by it for storage, for depositing items, or for any purpose other than for ingress to and egress from the Premises. Should Tenant have access to any balcony or patio area, Tenant shall not place any furniture other personal property in such area without the prior written approval of Landlord.

2. Neither Tenant nor any employee or contractor of Tenant shall go upon the roof of the Building without the prior written consent of Landlord.

3. Tenant shall, at its expense, be required to utilize the third party contractor designated by Landlord for the Building to provide any telephone wiring services from the minimum point of entry of the telephone cable in the Building to the Premises.

4. No antenna or satellite dish shall be installed by Tenant without the prior written agreement of Landlord.

5. The sashes, sash doors, windows, glass lights, solar film and/or screen, and any lights or skylights that reflect or admit light into the halls or other places of the Building shall not be covered or obstructed. If Landlord, by a notice in writing to Tenant, shall object to any curtain, blind, tinting, shade or screen attached to, or hung in, or used in connection with, any window or door of the Premises, the use of that curtain, blind, tinting, shade or screen shall be immediately discontinued and removed by Tenant. Interior of the Premises visible from the exterior must be maintained in a visually professional manner and consistent with a first class office building. Tenant shalt not place any unsightly items (as determined by Landlord in its reasonable discretion) along the exterior glass line of the Premises including, but not limited to, boxes, and electrical and data cords. No awnings shall be permitted on any part of the Premises.

6. The installation and location of any unusually heavy equipment in the Premises, including without limitation file storage units, safes and electronic data processing equipment, shall require the prior written approval of Landlord. The moving of large or heavy objects shall occur only between those hours as may be designated by, and only upon previous notice to, Landlord. No freight, furniture or bulky matter of any description shall be received into or moved out of the lobby of the Building or carried in any elevator other than the freight elevator (if available) designated by Landlord unless approved in writing by Landlord.

7. Any pipes or tubing used by Tenant to transmit water to an appliance or device in the Premises must be made of copper or stainless steel, and in no event shall plastic tubing be used for that purpose.

8. Tenant shall not place any lock(s) on any door in the Premises or Building without Landlord’s prior written consent, which consent shall not be unreasonably withheld. Upon the termination of its tenancy, Tenant shall deliver to Landlord all the keys to offices, rooms and toilet rooms and all access cards which shall have been furnished to Tenant or which Tenant shall have had made.

9. Tenant shall not install equipment requiring electrical or air conditioning service in excess of that to be provided by Landlord under the Lease without prior written approval from Landlord.

10. Tenant shall not use space heaters within the Premises.

11. Tenant shall not do or permit anything to be done in the Premises, or bring or keep anything in the Premises, which shall in any way increase the insurance on the Building, or on the property kept in the Building, or interfere with the rights of other tenants, or conflict with any government rule or regulation.

12. Tenant shall not use or keep any foul or noxious gas or substance in the Premises.

13. Tenant shall not permit the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business with other tenants.

14. Tenant shall not permit any pets or animals in or about the Building. Bona fide service animals are permitted provided such service animals are pre-approved by Landlord, remain under the direct control of the individual they serve at all times, and do not disturb or threaten others.

15. Neither Tenant nor its employees, agents, contractors, invitees or licensees shall bring any firearm, whether loaded or unloaded, into the Project at any time.

16. Smoking tobacco, including via personal vaporizers or other electronic cigarettes, anywhere within the Premises, Building or Project is strictly prohibited except that smoking tobacco may be permitted outside the Building and within the Project only in areas designated by Landlord. Smoking, vaping, distributing, growing or manufacturing marijuana or any marijuana derivative anywhere within the Premises, Building or Project is strictly prohibited.

17. Tenant shall not install an aquarium of any size in the Premises unless otherwise approved by Landlord.

18. Tenant shall not utilize any name selected by Landlord from time to time for the Building and/or the Project as any part of Tenant's corporate or trade name. Landlord shall have the right to change the name, number or designation of the Building or Project without liability to Tenant. Tenant shall not use any picture of the Building in its advertising, stationery or in any other manner.

19. Tenant shall, upon request by Landlord, supply Landlord with the names and telephone numbers of personnel designated by Tenant to be contacted on an after-hours basis should circumstances warrant.

20. Landlord may from time to time grant tenants individual and temporary variances from these Rules, provided that any variance does not have a material adverse effect on the use and enjoyment of the Premises by Tenant,

EXHIBIT F

PARKING

Tenant shall be entitled to the number of vehicle parking spaces set forth in Item 11 of the Basic Lease Provisions, which spaces shall be unreserved and unassigned and at no additional charge to Tenant during the initial Term of this Lease, on those portions of the Common Areas designated by Landlord for parking Tenant shall not use more parking spaces than such number All parking spaces shall be used only for parking of vehicles no larger than full size passenger automobiles, sport utility vehicles or pickup trucks. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenant's employees, suppliers, shippers, customers or invitees to be loaded, unloaded or parked in areas other than those designated by Landlord for such activities, If Tenant permits or allows any of the prohibited activities described above, then Landlord shall have the right, without notice, in addition to such other rights and remedies that Landlord may have, to remove or tow away the vehicle involved and charge the costs to Tenant. Parking within the Common Areas shall be limited to striped parking stalls, and no parking shall be permitted in any driveways, access ways or in any area which would prohibit or impede the free flow of traffic within the Common Areas. There shall be no parking of any vehicles for longer than a forty-eight (48) hour period unless otherwise authorized by Landlord, and vehicles which have been abandoned or parked in violation of the terms hereof may be towed away at the owners expense. Nothing contained in this Lease shall be deemed to create liability upon Landlord for any damage to motor vehicles of visitors or employees, for any loss of property from within those motor vehicles, or for any injury to Tenant, its visitors or employees, unless caused by the active negligence or willful misconduct of Landlord. Landlord shall have the right to establish, and from time to time amend. and to enforce against all users all reasonable rules and regulations (including the designation of areas for employee parking) that Landlord may deem necessary and advisable for the proper and efficient operation and maintenance of parking within the Common Areas. Landlord shall have the right to construct, maintain and operate lighting facilities within the parking areas; to change the area, level, location and arrangement of the parking areas and improvements therein; to restrict parking by tenants, their officers, agents and employees to employee parking areas; to enforce parking charges (by operation of meters or otherwise); and to do and perform such other acts in and to the parking areas and improvements therein as, in the use of good business judgment, Landlord shall determine to be advisable Any person using the parking area shall observe all directional signs and arrows and any posted speed limits. In no event shall Tenant interfere with the use and enjoyment of the parking area by other tenants of the Project or their employees or invitees. Parking areas shall be used only for parking vehicles. Washing. waxing, cleaning or servicing of vehicles, or the storage of vehicles for longer than 48-hours, is prohibited unless otherwise authorized by Landlord. Tenant shall be liable for any damage to the parking areas caused by Tenant or Tenant's employees, suppliers, shippers, customers or invitees. including without limitation damage from excess oil leakage Tenant shall have no right to install any fixtures, equipment or personal property in the parking areas. Tenant shall not assign or sublet any of the vehicle parking spaces, either voluntarily or by operation of law, without the prior written consent of Landlord, except in connection with an authorized assignment of this Lease or subletting of the Premises.

EXHIBIT G

ADDITIONAL PROVISIONS

1. **EXISTING LEASE**. Irvine Business Center LLC, a Delaware limited liability company, an affiliate of Landlord ("**Landlord's Affiliate**"), and Tenant are currently parties to a lease dated August 6, 2014 (the "**Existing Lease**") for space located at 7575 Irvine Center Drive, Suite 200, Irvine, California. Landlord's Affiliate currently holds the amount of $45,000.00 as the "Security Deposit" funded by Tenant under the Existing Lease. Subject to Tenant's obligation to restore the Security Deposit as provided in Section 4,3 of this Lease, Tenant hereby authorizes Landlord's Affiliate to retain and deliver to Landlord any remaining balance of the security deposit funded to Landlord's Affiliate under the Existing Lease after the termination of the Existing Lease as part of the Security Deposit hereunder. Concurrently with the execution and delivery of this Lease, Landlord's Affiliate and Tenant are negotiating with respect to a termination agreement for the Existing Lease (the "**Existing Lease Termination Agreement**"). Tenant understands and agrees that the effectiveness of this Lease is contingent upon the mutual execution of the Existing Lease Termination Agreement.

2. **RIGHT TO EXTEND THIS LEASE**. Provided that Tenant is not in Default under any provision of this Lease beyond any applicable cure period, either at the time of exercise of the extension right granted herein or at the time of the commencement of such extension, and provided further that Tenant is occupying the entire Premises and has not assigned or sublet any of its interest in this Lease, then Tenant may extend the Term of this Lease for one (1) extension period of 60 months. Tenant shall exercise its right to extend the Term by and only by delivering to Landlord, not less than 9 months or more than 12 months prior to the Expiration Date of the Term, Tenant's irrevocable written notice of its commitment to extend (the "**Commitment Notice**"). The Basic Rent payable under the Lease during any extension of the Term shall be determined as provided in the following provisions,

If Landlord and Tenant have not by then been able to agree upon the Basic Rent for the extension of the Term, then not less than 90 days or more than 120 days prior to the Expiration Date of the Term, Landlord shall notify Tenant in writing of the Basic Rent that would reflect the prevailing market rental rate for a 60-month renewal of comparable space in the Project (together with any increases thereof during the extension period) as of the commencement of the extension period ("**Landlord's Determination**"), Should Tenant disagree with the Landlord's Determination, then Tenant shall, not later than 20 days thereafter, notify Landlord in writing of Tenant's determination of those rental terms ("**Tenant's Determination**"). Within 10 days following delivery of the Tenant's Determination, the parties shall attempt to agree on an appraiser to determine the fair market rental. If the parties are unable to agree in that time, then each party shall designate an appraiser within 10 days thereafter. Should either party fail to so designate an appraiser within that time, then the appraiser designated by the other party shall determine the fair market rental, Should each of the parties timely designate an appraiser, then the two appraisers so designated shall appoint a third appraiser who shall, acting alone, determine the fair market rental for the Premises. Any appraiser designated hereunder shall have an MAI certification with not less than 5 years' experience in the valuation of commercial industrial buildings in the vicinity of the Project.

Within 30 days following the selection of the appraiser and such appraiser's receipt of the Landlord's Determination and the Tenant's Determination, the appraiser shall determine whether the rental rate determined by Landlord or by Tenant more accurately reflects the fair market rental rate for the 60-month renewal of the Lease for the Premises, as reasonably extrapolated to the commencement of the extension period. Accordingly, either the Landlord's Determination or the Tenant's Determination shall be selected by the appraiser as the fair market rental rate for the extension period. In making such determination, the appraiser shall consider rental comparables for the Project (provided that if there are an insufficient number of comparables within the Project, the appraiser shall consider rental comparables for similarly improved space owned by Landlord in the vicinity of the Project with appropriate adjustment for location and quality of project), but the appraiser shall not attribute any factor for brokerage commissions in making its determination of the fair market rental rate, At any time before the decision of the appraiser is rendered, either party may, by written notice to the other party, accept the rental terms submitted by the other party, in which event such terms shall be deemed adopted as the agreed fair market rental. The fees of the appraiser(s) shall be borne entirely by the party whose determination of the fair market rental rate was not accepted by the appraiser.

Within 20 days after the determination of the fair market rental, Landlord shall prepare an appropriate amendment to this Lease for the extension period, and Tenant shall execute and return same to Landlord within 10 days after Tenant's

receipt of same. Should the fair market rental not be established by the commencement of the extension period, then Tenant shall continue paying rent at the rate in effect during the last month of the initial Term, and a lump sum adjustment shall be made promptly upon the determination of such new rental.

If Tenant fails to timely exercise the extension right granted herein within the time period expressly set forth for exercise by Tenant in the initial paragraph of this Section , Tenant's right to extend the Term shall be extinguished and the Lease shall automatically terminate as of the expiration date of the Term, without any extension and without any liability to Landlord, Tenant's rights under this Section shall belong solely to Axonics Modulation Technologies, Inc., a Delaware corporation, and any attempted assignment or transfer of such rights shall be void and of no force and effect, Tenant shall have no other right to extend the Term beyond the single 60 month extension period created by this Section. Unless agreed to in a writing signed by Landlord and Tenant, any extension of the Term, whether created by an amendment to this Lease or by a holdover of the Premises by Tenant, or otherwise, shall be deemed a part of and not in addition to, any duly exercised extension period permitted by this Section.

EXHIBIT J

SURVEY FORM

THE IRVINE COMPANY — INVESTMENT PROPERTIES GROUP

HAZARDOUS MATERIAL SURVEY FORM

The purpose of this form is to obtain information regarding the use of hazardous substances on Investment Properties Group ("IPG") property. Prospective tenants and contractors should answer the questions in light of their proposed activities on the premises. Existing tenants and contractors should answer the questions as they relate to ongoing activities on the premises and should update any information previously submitted.

If additional space is needed to answer the questions, you may attach separate sheets of paper to this form, When completed, the form should be sent to the following address:

THE IRVINE COMPANY MANAGEMENT OFFICE
111 Innovation Drive
Irvine, CA 92617

Your cooperation in this matter is appreciated, If you have any questions, please call your property manager at (949) 720-4400 for assistance.

1. GENERAL INFORMATION.

Name of Responding Company: Axonics Modulation Technologies, Inc. _____

Check all that apply: Tenant (x) Contractor ( )

Prospective (x) Existing (x)

Mailing Address: 7575 Irvine Center Drive, Suite 200, Irvine, CA 92618 _____

Contact person & Title: Raymond W, Cohen, Chief Executive Officer _____

Telephone Number: (949) 396-6322 _____

Current TIC Tenant(s):

Address of Lease Premises: 7575 Irvine Center Drive, Suite 200, Irvine, CA 92618_____

Length of Lease or Contract Term: _____

Prospective TIC Tenant(s):

Address of Leased Premises: 26 Technology, Irvine. CA _____

Address of Current Operations: 7575 Irvine Center Drive, Suite 200, Irvine, CA 92618 _____

Describe the proposed operations to take place on the property, including principal products manufactured or services to be conducted. Existing tenants and contractors should describe any proposed changes to ongoing operations,

Active Implantable medical device and its accessories product design, testing and manufacturing.

2. HAZARDOUS MATERIALS. For the purposes of this Survey Form, the term "hazardous material" means any raw material, product or agent considered hazardous under any state or federal law, The term does not include wastes which are intended to be discarded.

2.1 Will any hazardous materials be used or stored on site?

Chemical Products	Yes (x)	No ( )
Biological Hazards/Infectious Wastes	Yes ( )	No (x)
Radioactive Materials	Yes ( )	No (x)
Petroleum Products	Yes ( )	No (x)

2.2 List any hazardous materials to be used or stored, the quantities that will be on-site at any given time, and the location and method of storage (e.g., bottles in storage closet on the premises).

Hazardous Materials	Location and Method of Storage	Quantity
Solder for R&D Use	Electrical lab and mfg space	<1 liter
Batteries	Material storage Room	Typically less than 500

2.3 Is any underground storage of hazardous materials proposed or currently conducted on the premises?

Yes ( ) No (x)

If yes, describe the materials to be stored, and the size and construction of the tank, Attach copies of any permits obtained for the underground storage of such substances.

3. HAZARDOUS WASTE. For the purposes of this Survey Form, the term “hazardous waste means any waste (including biological, infectious or radioactive waste) considered hazardous under any state or federal law, and which is intended to be discarded.

3.1 List any hazardous waste generated or to be generated on the premises, and indicate the quantity generated on a monthly basis.

Hazardous Materials	Location and Method of Storage	Quantity
NOT APPLICABLE		

3.2 Describe the method(s) of disposal (including recycling) for each waste, Indicate where and how often disposal will take place.

Hazardous Materials	Location and Method of Storage	Disposal Method
E-Waste	Bin marked for ewaste	Third party firm

3.3 Is any treatment or processing of hazardous, infectious or radioactive wastes currently conducted or proposed to be conducted on the premises?

Yes ( ) No (x)

If so, please describe any existing or proposed treatment methods.

3.4 Attach copies of any hazardous waste permits or licenses issued to your company with respect to its operations on the premises.

4. SPILLS

4.1 During the past year, have any spills or releases of hazardous materials occurred on the premises?

Yes ( ) No (x)

If so, please describe the spill and attach the results of any testing conducted to determine the extent of such spills.

4.2 Were any agencies notified in connection with such spills?

Yes ( ) No ( )

If so, attach copies of any spill reports or other correspondence with regulatory agencies.

4.3 Were any clean-up actions undertaken in connection with the spills?

Yes ( ) No ( )

If so, briefly describe the actions taken. Attach copies of any clearance letters obtained from any regulatory agencies involved and the results of any final soil or groundwater sampling done upon completion of the clean-up work.

5. WASTEWATER TREATMENT/DISCHARGE

5.1 Do you discharge industrial wastewater to:

___ storm drain? ___ sewer?

___ surface water? ___ no industrial discharge

5.2 Is your industrial wastewater treated before discharge?

Yes ( ) No ( )

If yes, describe the type of treatment conducted.

NOT APPLICABLE

5.3 Attach copies of any wastewater discharge permits issued to your company with respect to its operations on the premises.

6. AIR DISCHARGES.

6.1 Do you have any air filtration systems or stacks that discharge into the air?

Yes ( ) No (x)

6.2 Do you operate any equipment that requires air emissions permits?

Yes ( ) No (x)

6.3 Attach copies of any air discharge permits pertaining to these operations.

7. HAZARDOUS MATERIALS DISCLOSURES.

7.1 Does your company handle an aggregate of at least 500 pounds, 55 gallons or 200 cubic feet of hazardous material at any given time?

Yes ( ) No (x)

7.2 Has your company prepared a Hazardous Materials Disclosure — Chemical Inventory and Business Emergency Plan or similar disclosure document pursuant to state or county requirements?

Yes ( ) No (x)

If so, attach a copy.

7.3 Are any of the chemicals used in your operations regulated under Proposition 65?

Yes ( ) No (x)

If so, describe the procedures followed to comply with these requirements.

7.4 Is your company subject to OSHA Hazard Communication Standard Requirements?

Yes ( ) No (x)

If so, describe the procedures followed to comply with these requirements.

8. ANIMAL TESTING.

8.1 Does your company bring or intend to bring live animals onto the premises for research or development purposes?

Yes ( ) No (x)

If so, describe the activity.

8.2 Does your company bring or intend to bring animal body parts or bodily fluids onto the premises for research or development purposes?

Yes ( ) No (x)

If so, describe the activity.

9. ENFORCEMENT ACTIONS, COMPLAINTS.

9.1 Has your company ever been subject to any agency enforcement actions, administrative orders, lawsuits, or consent orders/decrees regarding environmental compliance or health and safety?

Yes ( ) No (x)

If so, describe the actions and any continuing obligations imposed as a result of these actions.

9.2 Has your company ever received any request for information, notice of violation or demand letter, complaint, or inquiry regarding environmental compliance or health and safety?

Yes ( ) No (x)

9.3 Has an environmental audit ever been conducted which concerned operations or activities on premises occupied by you?

Yes ( ) No (x)

9.4 If you answered “yes” to any questions in this section, describe the environmental action or complaint and any continuing compliance obligation imposed as a result of the same.

By: /s/ Raymond W. Cohen
Name: Raymond W. Cohen
Title: CEO
Date: 11/29/17

EXHIBIT H

LANDLORD'S DISCLOSURES

SPECTRUM

The capitalized terms used and not otherwise defined in this Exhibit shall have the same definitions as set forth in the Lease. The provisions of this Exhibit shall supersede any inconsistent or conflicting provisions of the Lease,

1. Landlord has been informed that the El Toro Marine Corps Air Station (MCAS) has been listed as a Federal Superfund site as a result of chemical releases occurring over many years of occupancy. Various chemicals including jet fuel, motor oil and solvents have been discharged in several areas throughout the MCAS site. A regional study conducted by the Orange County Water District has estimated that groundwaters beneath more than 2,900 acres have been impacted by Trichloroethylene (ICE), an industrial solvent. There is a potential that this substance may have migrated into the ground water underlying the Premises. The U.S. Environmental Protection Agency, the Santa Ana Regional Water Quality Control Board, and the Orange County Health Care Agency are overseeing the investigation/cleanup of this contamination. To the Landlord's current actual knowledge, the ground water in this area is used for irrigation purposes only. and there is no practical impediment to the use or occupancy of the Premises due to the El Toro discharges.

Tenant shall approve same in writing within 5 business days of receipt without further revision.

D. In the event that Tenant requests in writing a revision to the Working Drawings and Specifications ("**Change**"), and Landlord so approves such Change as provided in the Section next below, Landlord shall advise Tenant by written change order as soon as is practical of any increase in the Completion Cost such Change would cause. Tenant shall approve or disapprove such change order, if any, in writing within 2 business days following Tenant's receipt of such change order, If Tenant approves any such change order, Landlord, at its election, may either (i) require as a condition to the effectiveness of such change order that Tenant pay the increase in the Completion Cost attributable to such change order concurrently with delivery of Tenant's approval of the change order, or (ii) defer Tenant's payment of such increase until the date 10 business days after delivery of invoices for same, provided however, that the Tenant's Contribution must in any event be paid in full prior to Tenant's commencing occupancy of the Premises. If Tenant disapproves any such change order, Tenant shall nonetheless be responsible for the reasonable architectural and/or planning fees incurred in preparing such change order. Landlord shall have no obligation to interrupt or modify the Tenant Improvement Work pending Tenants approval of a change order, but if Tenant fails to timely approve a change order, Landlord may (but shall not be required to) suspend the applicable Tenant Improvement Work, in which event any related critical path delays because of such suspension shall constitute Tenant Delays hereunder.

E. Landlord agrees that it shall not unreasonably withhold its consent to Tenant's requested Changes, provided that such consent may be withheld in all events if the requested Change (i) is of a lesser quality than the Tenant Improvements previously approved by Landlord, (ii) fails to conform to applicable governmental requirements, (iii) would result in the Premises requiring building services beyond the level Landlord has agreed to provide Tenant under the Lease, (iv) would delay construction of the Tenant Improvements and Tenant declines to accept such delay in writing as a Tenant Delay, (v) interferes in any manner with the proper functioning of, or Landlord's access to, any mechanical, electrical, plumbing or HVAC systems, facilities or equipment in or serving the Building, or (vi) would have an adverse aesthetic impact to the Premises or would cause additional expenses to Landlord in reletting the Premises.

F. Notwithstanding any provision in the Lease to the contrary, and not by way of limitation of any other rights or remedies of Landlord, if Tenant fails to comply with any of the time periods specified in this Work Letter, fails otherwise to approve or reasonably disapprove any submittal within the time period specified herein for such response (or if no time period is so specified, within 5 business days following Tenant's receipt thereof), fails to approve in writing both the Preliminary Plan and Preliminary Cost Estimate for the Tenant Improvements by the Plan Approval Date, fails to provide all of the Programming Information requested by Landlord by the Plan Approval Dale, fails to approve in writing the Working Drawings and Specifications or the Final Cost Estimate within the time provided herein, fails to timely deliver the Tenant's Contribution as required hereunder, requests any Changes, furnishes inaccurate or erroneous Programming Information, specifications or other information, or otherwise delays in any manner the completion of the Tenant Improvements (including without limitation by specifying materials that are not readily available) or the issuance of an occupancy certificate (any of the foregoing being referred to in this Lease as a "Tenant Delay"), then Tenant shall bear any resulting additional construction cost or other expenses, and the Commencement Date of this Lease shall be deemed to have occurred for all purposes, including without limitation Tenant's obligation to pay rent, as of the date Landlord reasonably determines that it would have been able to deliver the Premises to Tenant but for the collective Tenant Delays. Should Landlord determine that the Commencement Date should be advanced in accordance with the foregoing, it shall so notify Tenant in writing. Landlord's determination shall be conclusive unless Tenant notifies Landlord in writing, within 5 business days thereafter of Tenant's election to contest same pursuant to Section 14.7 of the Lease. Pending the outcome of such proceedings, Tenant shall make timely payment of all rent due under this Lease based upon the Commencement Date set forth in the aforesaid notice from Landlord.

G. All of the Tenant Improvements shall become the property of Landlord and shall be surrendered with the Premises at the expiration or sooner termination of this Lease, except that Landlord shall have the right, by notice to Tenant given at the time of Landlord's approval of the Preliminary Plan, the Working Drawings and Specifications and any Change, to require Tenant either to remove all or any of the Tenant Improvements

approved in the Preliminary Plan or in the Working Drawings and Specifications or by way of such Change, to repair any damage to the Premises or the Common Areas arising from such removal, and to replace any Non-Standard Improvements so approved with the applicable Standard Improvement, or to reimburse Landlord for the reasonable cost of such removal, repair and replacement upon demand. Any such removals, repairs and replacements by Tenant shall be completed by the Expiration Date or sooner termination of this Lease.

H. Landlord shall permit Tenant and its agents to enter the Premises prior to the Commencement Date of the Lease in order that Tenant may install its cabling and related communication equipment through Tenant's own contractors prior to the Commencement Date. Any such work shall be subject to Landlords prior written approval, and shall be performed in a manner and upon terms and conditions and at times satisfactory to Landlords representative. The foregoing license to enter the Premises prior to the Commencement Date is, however, conditioned upon Tenant's contractors and their subcontractors and employees working in harmony and not interfering with the work being performed by Landlord. If at any time Landlord determines that such entry shall cause disharmony or interfere with the work being performed by Landlord, this license may be withdrawn by Landlord upon 24-hours written notice to Tenant. That license is further conditioned upon the compliance by Tenant's contractors with all requirements imposed by Landlord on third party contractors, including without limitation the maintenance by Tenant and its contractors and subcontractors of workers' compensation and public liability and property damage insurance in amounts and with companies and on forms satisfactory to Landlord, with certificates of such insurance being furnished to Landlord prior to proceeding with any such entry. The entry shall be deemed to be under all of the provisions of the Lease except as to the covenants to pay rent. Landlord shall not be liable in any way for any injury, loss or damage which may occur to any such work being performed by Tenant, the same being solely at Tenant's risk. In no event shall the failure of Tenant's contractors to complete any work in the Premises extend the Commencement Date of this Lease.

I. Tenant hereby designates Dan Dearen ("**Tenant's Construction Representative**"), Telephone No. (858) 775-9218, Email: ddearen@axonicsmodulation.com, as its representative, agent and attorney-in-fact for all matters related to the Tenant Improvement Work, including but not by way of limitation, for purposes of receiving notices, approving submittals and issuing requests for Changes. and Landlord shall be entitled to rely upon authorizations and directives of such person(s) as if given directly by Tenant. The foregoing authorization is intended to provide assurance to Landlord that it may rely upon the directives and decision making of the Tenant's Construction Representative with respect to the Tenant Improvement Work and is not Intended to limit or reduce Landlord's right to reasonably rely upon any decisions or directives given by other officers or representatives of Tenant. Any notices or submittals to, or requests of. Tenant related to this Work Letter and/or the Tenant Improvement Work may be sent to Tenant's Construction Representative at the email address above provided. Tenant may amend the designation of its Tenant's Construction Representative(s) at any time upon delivery of written notice to Landlord.

II. COST OF TENANT IMPROVEMENTS

A. Landlord shall complete, or cause to be completed, the Tenant Improvements, at the construction cost shown in the Final Cost Estimate (subject to increases for Landlord approved Changes and as otherwise provided in this Work Letter), in accordance with final Working Drawings and Specifications approved by both Landlord and Tenant.

B. Landlord shall pay up to $766,440.00, based on $30.00 per usable square foot of the Premises ("**Landlord's Maximum Contribution**"), of the final "Completion Cost" (as defined below). Tenant acknowledges that the Landlord's Maximum Contribution is intended only as the maximum amount Landlord will pay toward approved Tenant Improvements, and not by way of limitation, any partitions, modular office stations, fixtures, cabling, furniture and equipment requested by Tenant are in no event subject to payment as part of Landlord's Contribution. In the event the Completion Cost of the Tenant Improvement Work Is less than the Landlord's Maximum Contribution, Landlord's actual contribution toward the Completion Cost ("**Landlord's Contribution**") shall equal such lesser amount, and, except as provided hereinbelow, Tenant shall have no right to receive any credit, refund or allowance of any kind for any unused portion of the Landlord's Maximum Contribution nor shall

Tenant be allowed to make revisions to an approved Preliminary Plan, Working Drawings and Specifications or request a Change In an effort to apply any unused portion of Landlord's Maximum Contribution. Notwithstanding the foregoing, Tenant may utilize a portion of the Landlord's Contribution, not to exceed the amount of $127,740.00, based on $5.00 per rentable square foot of the Premises (the "**Moving Allowance**"), towards (i) Tenant's cost of cabling, furniture, fixtures and equipment and related moving expenses for Tenant's move to the Premises. Landlord shall reimburse Tenant for such expenses, up to the amount of the Moving Allowance, within thirty (30) days following receipt from Tenant of invoices or other reasonably detailed evidence of Tenant's expenditure of such expenses. It is understood and agreed that the Moving Allowance shall be requested no later than June 30, 2018, and that Landlord shall not be obligated to fund any portion of the Moving Allowance requested after such date.

C. Tenant shall pay any costs due to inaccurate or incomplete Programming Information and the amount, if any, by which aggregate Completion Cost for the Tenant Improvement Work exceeds the Landlord's Maximum Contribution. The amounts to be paid by Tenant for the Tenant Improvements pursuant to this Section II.C are sometimes cumulatively referred to herein as the "**Tenant's Contribution**".

D. The "**Completion Cost**" shall mean all costs of Landlord in completing the Tenant Improvements in accordance with the approved Working Drawings and Specifications and with any approved Changes thereto, including but not limited to the following costs: (i) payments made to architects, engineers, contractors, subcontractors and other third party consultants in the performance of the work, (ii) permit fees and other sums paid to governmental agencies, and (iii) costs of all materials incorporated into the work or used in connection with the work. The Completion Cost shall also include a construction management fee to be paid to Landlord or to Landlord's management agent in the amount of three percent (3%) of the Completion Cost. Unless expressly authorized in writing by Landlord, the Completion Cost shall not include (and no portion of the Landlord's Contribution shall be paid for) any costs incurred by Tenant, including without limitation, any costs for space planners, managers, advisors or consultants retained by Tenant in connection with the Tenant Improvements.

E. Prior to start of construction of the Tenant Improvements, Tenant shall pay to Landlord in full the amount of the Tenant's Contribution set forth in the approved Preliminary Cost Estimate or in the Final Cost Estimate (once approved by Tenant). If the actual Completion Cost of the Tenant Improvements is greater than the Final Cost Estimate because of Changes, modifications or extras not reflected on the approved Working Drawings and Specifications, or because of Tenant Delays, then Tenant shall pay all such additional costs within 10 business days after written demand for same. The balance of any sums not otherwise paid by Tenant shall be due and payable on or before the Commencement Date of this Lease, If Tenant defaults in the payment of any sums due under this Work Letter, Landlord shall (in addition to all other remedies) have the same rights as in the case of Tenant's failure to pay rent under the Lease, including, without limitation, the right to terminate this Lease and recover damages from Tenant and/or to charge a late payment fee and to collect interest on delinquent payments, and Landlord may (but shall not be required to) suspend the Tenant Improvement Work following such default, in which event any delays because of such suspension shall constitute Tenant Delays hereunder.

Schedule I

Tenant Improvement / Interior Construction Outline Specifications

(By Tenant/Tenant Allowance)

Note During preliminary walk throughs, construction management is to confirm re-use of existing building components and provide direction to: 1) match existing, or 2) provide new building standard at all remodel conditions; or 3) provide upgrade to building standard based on project team input. Each suite to be reviewed on a case-by-case basis.

TENANT STANDARD GENERAL OFFICE:	CARPET Direct glue broadloom carpet. VINYL COMPOSITION TILE (VCT) 12”x 12” VCT Armstrong Standard Excelon. WALLS Standard Walls: 518” gypsum drywall on 2-1/2” x 25 ga. metal studs 16” ac., floor to ceiling construction. No walls shall penetrate the grid unless required by code. Exterior Wails (First Generation Only): 5/8” gypsum drywall furring on 25 ga. metal studs, with R-13 insulation. PAINT Paint finish, one standard color to be Benjamin Moore AC-40, Glacier White, flat finish. BASE 2-1/2” Burke rubber base; straight at cut pile carpet, coved at resilient flooring and loop carpet. RUBBER TRANSITION STRIP Transition strip between carpet and resilient flooring to be Burke #150, color: to match adjacent V.C.T. PLASTIC LAMINATE Plastic laminate color at millwork: Nevamar “Smoky White”, Textured #S-7-27T. CEILING 2x4 USG Radar Illusions #2842 scored ceiling tile, installed in building standard 9/16” or 15/16” T-bar grid. Continuous grid throughout LIGHTING All spaces are to be illuminated with building standard 2 x 4 direct/indirect fixtures, approved by the Landlord. DOORS 1-3/4” solid core, 3”-0” x 8’-10” plain sliced white oak, Western Integrated clear anodized aluminum frames, Schlage “D” series “Sparta” latchset hardware, dull chrome finish. OFFICE SIDELITES All interior offices to have sidelite glazing adjacent to office entry door, 4’ wide x door height, Western Integrated clear anodized aluminum frame integral to door frame with clear tempered glass. WINDOW COVERINGS Vertical blinds: Mariak Industries PVC blinds at building perimeter windows, Model M-3000, Color: Light Grey.

TENANT STANDARD MECHANICAL:	HVAC General: Exterior corner spaces with more than one exposure shall be provided with a separate zone. Conference Room (or Training Room) 20’ x 13’ or larger shall be provided with a separate zone. Exterior zone shall be limited to a single exposure and a maximum of 750 to 1000 square feet. Campus Office Building: Interior and Exterior zone VAV boxes shall be connected to the main supply air loop. Exterior zone VAV boxes shall he provided with two-row hot water reheat coil. Interior zone shall be limited to a maximum of 2000 square feet. Air distribution downstream of VAV boxes shall be provided complete with ductwork, 2’x2’ perforated face ceiling diffusers, 2’x2’ perforated return air grilles and air balance. All ductwork shall be sheet metal constructed per SMACNA standards and insulated per the latest Title 24 requirements. Pneumatic thermostats with blank white cover shall be provided for each zone. Thermostats shall be located adjacent to tight switch at 48” above finished floor. When the building utilizes DDC zone control, DDC system shall be Andover and installed by AAS. DDC system shall be interfaced to the existing Irvine Company network. Mid-Tech / Manufacturing Building: Air distribution downstream of packaged rooftop units and/or split system fan coil units shall be provided complete with ductwork, 2’x2’ perforated face ceiling diffusers, 2’x2’ perforated return air grilles and air balance. All ductwork shall be sheet metal constructed per SMACNA standards and Insulated per the latest Title 24 requirements. Interior zone shall be limited to a maximum of 2500 square feet. Packaged rooftop units and/or split system units shall be connected to existing Irvine Company Energy Management System. Thermostats shall be located adjacent to light switch at 48” above finished floor. EMS shall be Andover and installed by MS. New packaged rooftop units larger than 5-ton shall be provided with seismic isolation curb with minimum 1-inch spring deflection. New packaged rooftop units larger than 6.25 ton shall be provided with economizer with barometric relief damper.
TENANT STANDARD FIRE PROTECTION:	FIRE PROTECTION Pendant satin chrome plated, recessed heads, adjustable canopies, minimum K factor to be 5.62, located at center of 2’ x 2’ section of scored ceiling tile. Ceiling drops from shell supply loop.
TENANT STANDARD FIRE SPRINKLER:	FIRE SPRINKLER — Hard pipe to be used. Any substitutions to be submitted for Landlord review and approval prior to install. — Center sprinkler head in 2x2 ceiling tile.
TENANT STANDARD ELECTRICAL:	ELECTRICAL SYSTEM A 277/480 volt, three phase, four wire tenant metered distribution section will be added to main service at Main Electrical Room.

Tenant Electrical Room, located within the lease space, as directed by the Landlord, to include 277/480 volt and 120/208 volt panels, transformer, lighting control panel, as required. All newly installed panels and distribution boards shall have all branch circuit loads appropriately disaggregated per 2013 Title 24 requirements.

Standard tenant electrical capacity will be provided in the following capacity:
— Lighting 277V: Minimum of 1.2 watt watts per s.f.
— General 277V Power: As required to accommodate tenant loads.
— HVAC Power 277/480V: *A*s required to accommodate the HVAC equipment
— General 120/208V Power. Minimum of 8.0 watts per s.f.

LIGHTING
All spaces are to be illuminated with building standard 2’ x 4’, direct/indirect fixtures based on one (1) fixture per 96 square feet All lighting in newly renovated areas (and associated existing areas with renovations mandated by 2013 Title 24 requirements) are to be illuminated with building standard 2’x4’ direct/indirect LEO 0-10V dimmable fixtures based on (1) fixture per 96 square feet.

Fixture to be Focal Point TICLED-24-4000L-35 (FLUL-24-PS-4000L-35K-1C-VOLT-LD1-GRID TYPE-EQ-WH)—All Fixtures should be ordered via Southern California Illumination, contact rep at 949-622-3000.

Any substitutions to these fixtures must be reviewed/approved by the Landlord.

All lighting in newly renovated areas (and associated existing areas with renovations mandated by 2013 Title 24 requirements) are to be controlled by 2013 Title 24 compliant digital lighting system, complete with room controller capable of full range 0-10V LED dimming, occupancy sensors, daylight sensors (as required), and low voltage digital switches as required for each respective enclosed space. Locate switches at 48° to switch centerline. Digital control system shall be by Greengate or equal by Wattstopper. Projects in excess of 10,000 square feet shall also have demand responsive controls via input / output interface at each room controller location with applicable low voltage conductors routed to tenant electrical room for future connection to demand response system per 2013 Title 24 requirements.

Exit signs: Internally illuminated, white sign face with green text.

OUTLETS
Power. Leviton “Decora” style 15 / 20 amp 125-volt specification grade white duplex receptacle mounted vertically, 18” AFF to centerline, with a white plastic coverplate.

2013 Title 24 controlled receptacles are to be plug load controllable decorator receptacle, 15A, half control, white in color Legrand #26252CHW. Receptacle relay shall be wired to room controller in respective vicinity or enclosed space for controlled receptacle to shut off during periods of vacancy.

All furniture systems will be assumed to be a four (4) circuit / eight (8) wire configuration. All furniture system workstations are assumed to have personal computers only and will be connected at a ratio of eight (8) workstations per four (4) circuit / eight (8) wire homerun. For each four circuit homerun, the two “general” circuits shall be controlled circuits per 2013 Title 24 requirements and shall be controlled by relays connected to the room controller in respective vicinity or enclosed space for controlled receptacles in partitions to shut off during periods of vacancy.

All wall mounted furniture system communication feeds will be provided with (2) 1 1/2” conduit (non-fire rated 1 non-insulated walls) OR (2) 1-W conduit (fire rated / insulated walls); a 4S/DP box and a double-gang mud ring in the wall. One (1) furniture system communication feeds will be assumed to be capable of providing enough cabling capacity for eight (8) workstations.

Power and Telecom Feeds to systems furniture by Tenant to be via walls, furred columns or ceiling J-box.

All wall mounted general communication outlets in non-fire rated / non-insulated walls will be provided a 2-gang mud ring and a pull string in the wall. All wall mounted communication outlets in fire-rated and insulated walls will be provided with 3/4” conduit (voice and / or data only) OR a 1’ conduit (combination voice I data), stubbed into the accessible ceiling space, 4S/DP box and a single gang mud ring in the wall, Cover plate, jacks and cables by tenant.

A single tenant telecom room will be provided with a single 4’ x 8’ backboard. An empty 2” conduit will be routed from this backboard to the building’s main telephone backboard. An empty 4” conduit sleeve will be stubbed into the accessible ceiling space.

TENANT STANDARD WAREHOUSE/SHIPPING AND RECEIVING (IF APPLICABLE):

FLOORS
Sealed concrete.

WALLS
5/8” gypsum wallboard standard partition, height and construction subject to Landlord approval. At furred walls, paint to match Benjamin Moore AC-40 Glacier White. Provide rated partition at occupancy separation, as required by code.

CEILING
Exposed structure, non-painted.

WINDOWS
None.

ACCESS
7’-6” H x 7’-6” W glazed service doors. Glazing is bronze reflective glass.

HVAC
None.

PLUMBING
Single accommodation restroom, if required.

Sheet vinyl flooring to be Armstrong Classic Corlon “Seagate” #86526 Oyster, wilt Smooth White FRP panel wainscot to 48” high. Painted walls and ceiling to be Benjamin Moore AC-40 Glacier White, semi-gloss finish.

LIGHTING
T5 High Bay, 2 x 4 fixtures.

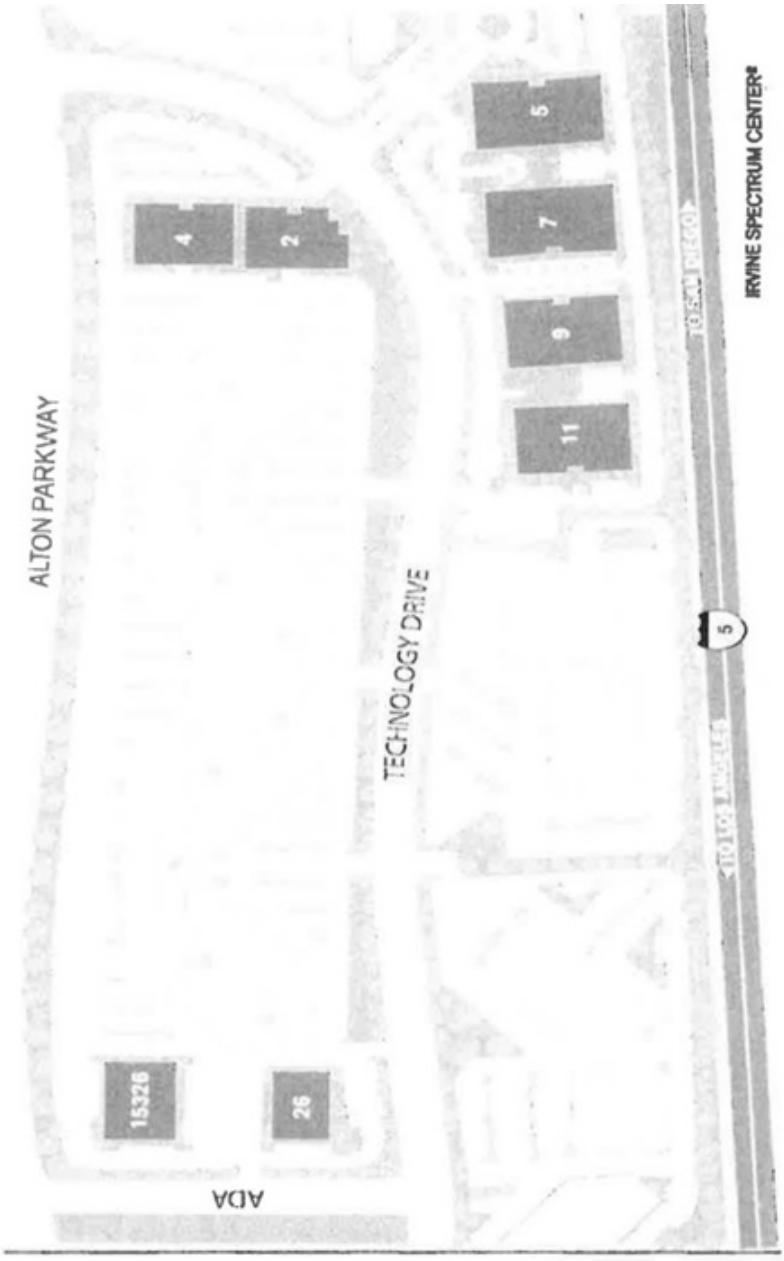
OTHER ELECTRICAL
Convenience outlets; surface mounted at exposed concrete walls.

SECURITY
Lockable doors.

EXHIBIT Y

PROJECT DESCRIPTION

AIton/Technology



FIRST AMENDMENT TO LEASE

I. **PARTIES AND DATE**.

This First Amendment to Lease ("**Amendment**") dated April 12, 2018, is by and between **THE IRVINE COMPANY LLC**, a Delaware limited liability company ("**Landlord**"), and **AXONICS MODULATION TECHNOLOGIES**, **INC**., a Delaware corporation ("**Tenant**").

II. **RECITALS**.

On November 30, 2017, Landlord and Tenant entered into a lease ("**Lease**") for space in a building located at 26 Technology Drive, Suite 100, Irvine, California ("**Premises**").

Landlord and Tenant each desire to modify the Lease to provide an additional allowance for the Tenant Improvements as set forth in "III. MODIFICATIONS" next below.

III. **MODIFICATIONS**.

A. Additional Allowance. In addition to Landlord's Maximum Contribution set forth in Exhibit X to the Lease, Work Letter, Landlord shall make available to Tenant an amount not to exceed $91,000.00 ("**Additional Contribution**") to be utilized by Tenant in connection with the initial Tenant Improvement Work for the office space only to be performed under the Work Letter attached to the Lease as Exhibit X, which amount shall be amortized over the remaining months of the initial Lease Term at 8% per annum and repaid in monthly installments with the Basic Rent. Upon determination of the amount of the Additional Contribution, if any, Landlord shall memorialize same, together with the monthly repayment schedule, in writing and Tenant shall promptly acknowledge same.

IV. **GENERAL**.

A. Effect of Amendment. The Lease shall remain in full force and effect and unmodified except to the extent that it is modified by this Amendment.

B. Entire Agreement. This Amendment embodies the entire understanding between Landlord and Tenant with respect to the modifications set forth in "III. MODIFICATIONS" above and can be changed only by a writing signed by Landlord and Tenant.

C. Defined Terms. All words commencing with initial capital letters in this Amendment and defined in the Lease shall have the same meaning in this Amendment as in the Lease, unless they are otherwise defined in this Amendment.

D. Corporate and Partnership Authority. If Tenant is a corporation or partnership, or is comprised of either or both of them, each individual executing this Amendment for the corporation or partnership represents that he or she is duly authorized to execute and deliver this Amendment on behalf of the corporation or partnership and that this Amendment is binding upon the corporation or partnership in accordance with its terms.

E. Counterparts; Digital Signatures. If this Amendment is executed in counterparts, each is hereby declared to be an original; all, however, shall constitute but one and the same amendment. In any action or proceeding, any photographic, photostatic, or other copy of this Amendment may be introduced into evidence without foundation. The parties agree to accept a digital image (including but not limited to an image in the form of a PDF, JPEG, GIF file, or other e-signature) of this Amendment, if applicable, reflecting the execution of one or both of the parties, as a true and correct original.

F. California Certified Access Specialist Inspection. Pursuant to California Civil Code § 1938, Landlord hereby states that the Premises have not undergone inspection by a Certified Access Specialist (CASp) (defined in California Civil Code § 55.52(a)(3)). Pursuant to Section 1938 of the California Civil Code,

Landlord hereby provides the following notification to Tenant: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction related accessibility standards within the premises." If Tenant requests to perform a CASp inspection of the Premises, Tenant shall, at its cost, retain a CASp approved by Landlord (provided that Landlord may designate the CASp, at Landlord's option) to perform the inspection of the Premises at a time agreed upon by the parties. Tenant shall provide Landlord with a copy of any report or certificate issued by the CASp (the "**CASp Report**") and Tenant shall, at its cost, promptly complete any modifications necessary to correct violations of construction related accessibility standards identified in the CASp Report, notwithstanding anything to the contrary in this Lease. Tenant agrees to keep the information in the CASp Report confidential except as necessary for the Tenant to complete such modifications.

V. **EXECUTION**.

Landlord and Tenant executed this Amendment on the date as set forth in "I. PARTIES AND DATE." above.

LANDLORD:

THE IRVINE COMPANY LLC,
a Delaware limited liability company

By /s/ Steven M. Case
Steven M. Case
Executive Vice President

By /s/ Holly McManus
Holly McManus
Vice President, Operations
Office Properties

TENANT:

AXONICS MODULATION TECHNOLOGIES, INC.,
a Delaware corporation

By /s/ Dan Dearen
Printed Name Dan Dearen
Title COO & CFO

By /s/ Raymond W. Cohen
Printed Name Raymond W. Cohen
Title CEO

SECOND AMENDMENT TO LEASE

I. PARTIES AND DATE.

This Second Amendment to Lease ("**Amendment**") dated July 11, 2018, is by and between **THE IRVINE COMPANY LLC**, a Delaware limited liability company ("**Landlord**"), and **AXONICS MODULATION TECHNOLOGIES**, **INC**., a Delaware corporation ("**Tenant**").

II. RECITALS.

On November 30, 2017, Landlord and Tenant entered into a lease, for space in a building located at 26 Technology Drive, Suite 100, Irvine, California ("**Premises**"), which lease was amended by a First Amendment to Lease dated April 12, 2018. The foregoing lease, as so amended, is herein referred to as the "**Lease**".

Landlord's affiliate, Irvine Business Center LLC, a Delaware limited liability company ("**Landlord's Affiliate**"), and Tenant are also parties to a lease dated August 6, 2014 ("**IBC Lease**") for premises located at 7575 Irvine Center Drive, Suite 200, Irvine, California ("**Irvine Center Drive Premise**s"), and Landlord and Tenant originally intended that the Lease be contingent upon the execution of an agreement for the termination of the IBC Lease effective on the Commencement Date of the Lease (the "**Termination Contingency**").

Landlord and Tenant now each desire to modify the Lease, as set forth in "III. MODIFICATIONS" next below, to eliminate and remove the Termination Contingency in order that Tenant may continue to lease and occupy the Irvine Center Drive Premises pursuant to the IBC Lease.

III. MODIFICATIONS.

A. Removal of Contingency. Section 1 of **Exhibit G** to the Lease is hereby deleted in its entirety and of no further force and effect. The "Security Deposit" under the IBC Lease will continue to be held by Landlord's Affiliate pursuant to the IBC Lease and will not be delivered to Landlord to serve as a portion of the Security Deposit under the Lease. Accordingly, within 10 business days after the mutual execution of this Amendment, Tenant shall deliver to Landlord any resulting deficiency in the Security Deposit funds previously delivered to Tenant under the Lease.

IV. GENERAL.

A. Effect of Amendment. The Lease shall remain in full force and effect and unmodified except to the extent that it is modified by this Amendment.

B. Entire Agreement. This Amendment embodies the entire understanding between Landlord and Tenant with respect to the modifications set forth in "III. MODIFICATIONS" above and can be changed only by a writing signed by Landlord and Tenant.

C. Defined Terms. All words commencing with initial capital letters in this Amendment and defined in the Lease shall have the same meaning in this Amendment as in the Lease, unless they are otherwise defined in this Amendment.

D. Corporate and Partnership Authority. If Tenant is a corporation or partnership, or is comprised of either or both of them, each individual executing this Amendment for the corporation or partnership represents that he or she is duly authorized to execute and deliver this Amendment on behalf of the corporation or partnership and that this Amendment is binding upon the corporation or partnership in accordance with its terms.

E. Counterparts; Digital Signatures. If this Amendment is executed in counterparts, each is hereby declared to be an original; all, however, shall constitute but one and the same amendment. In any action or proceeding, any photographic, photostatic, or other copy of this Amendment may be introduced into evidence without foundation. The parties agree to accept a digital image (including but not limited to an image in the form of a PDF, JPEG, GIF file, or other e-signature) of this Amendment, if applicable, reflecting the execution of one or both of the parties, as a true and correct original.

V. EXECUTION.

Landlord and Tenant executed this Amendment on the date as set forth in "I. PARTIES AND DATE." above.

LANDLORD:

THE IRVINE COMPANY LLC,
a Delaware limited liability company

By /s/ Steven M. Case
Steven M. Case
Executive Vice President

By /s/ Holly McManus
Holly McManus
Vice President, Operations
Office Properties

TENANT:

AXONICS MODULATION TECHNOLOGIES, INC.,
a Delaware corporation

By /s/ Dan Dearen
Printed Name Dan Dearen
Title COO & CFO

By /s/ Raymond W. Cohen
Printed Name Raymond W. Cohen
Title CEO

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this "**Agreement**") dated as of February 6, 2018 (the "**Effective Date**") between **SILICON VALLEY BANK**, a California corporation ("**Bank**"), and AXONICS MODULATION TECHNOLOGIES, INC., a Delaware corporation ("**Borrower**"), provides the terms on which Bank shall lend to Borrower and Borrower shall repay Bank. The parties agree as follows:

1 ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed following GAAP. Calculations and determinations must be made following GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 13. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein.

2 LOAN AND TERMS OF PAYMENT

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay Bank the outstanding principal amount of all Credit Extensions and accrued and unpaid interest thereon as and when due in accordance with this Agreement.

2.1.1 Term Loans.

(a) Availability. On the Effective Date, subject to the terms and conditions of this Agreement, Bank shall make one (1) term loan available to Borrower in the amount of Ten Million Dollars ($10,000,000.00) (the "**Term A Loan**"). During the Term B Draw Period, subject to the terms and conditions of this Agreement, Borrower may request and Bank shall make one (1) term loan available to Borrower in the amount of Five Million Dollars ($5,000,000.00) (the "Term B Loan"). During the Term C Draw Period, subject to the terms and conditions of this Agreement, Borrower may request and Bank shall make one (1) term loan available to Borrower in the amount of Five Million Dollars ($5,000,000.00) (the "**Term C Loan**" and, together with the Term A Loan and the Term B Loan, each a "**Term Loan**," and collectively, the "**Term Loans**").

(b) Repayment. The Term Loans shall be "interest only" during the Interest-Only Period, with interest due and payable on the first day of each month. Beginning on the Amortization Start Date, and continuing on the first day of each month thereafter, Borrower shall repay the Term Loans in equal monthly installments of principal plus interest (each, a "**Term Loan Payment**"). Borrower's final Term Loan Payment, due on the Term Loan Maturity Date, shall include all outstanding principal and accrued and unpaid interest under the Term Loans and the Final Payment. Once repaid, the Term Loans may not be reborrowed.

(c) Prepayment.

(i) Voluntary. Borrower shall have the option to prepay all, or any portion of the Term Loans advanced by Bank under this Agreement in increments of Five Million Dollars ($5,000,000), provided Borrower (a) delivers written notice to Bank of its election to prepay the Term Loans at least thirty (30) days prior to such prepayment and (b) pays, on the date of such prepayment, (i) all outstanding principal so prepaid, plus accrued and unpaid interest thereon, (ii) the Final Payment, (iii) the Prepayment Fee and (iv) all other sums, if any, that shall have become due and payable hereunder in connection with the Term Loans so prepaid.

(ii) Involuntary. If the Term Loans are accelerated during the continuance of an Event of Default, Borrower shall immediately pay to Bank an amount equal to the sum of (a) all outstanding principal, plus accrued and unpaid interest with respect to the Term Loans, (b) the Final Payment, (c) the Prepayment Fee and (d) all other sums, if any, that shall have become due and payable hereunder in connection with the Term Loans.

2.2 Intentionally Omitted.

2.3 Payment of Interest on the Credit Extensions.

(a) Interest Rate. Subject to Section 2.3(b), the principal amount outstanding under the Term Loans shall accrue interest at a floating per annum rate equal to one and three quarters of one percentage point (1.75%) above the Prime Rate, which interest shall be payable monthly.

(b) Default Rate. At the Bank's option, upon the occurrence and during the continuance of an Event of Default, Obligations shall bear interest at a rate per annum which is five percentage points (5.0%) above the rate that is otherwise applicable thereto (the "**Default Rate**"). Fees and expenses which are required to be paid by Borrower pursuant to the Loan Documents (including, without limitation, Bank Expenses) but are not paid when due shall bear interest until paid at a rate equal to the highest rate applicable to the Obligations (but no higher than the Default Rate). Payment or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Bank.

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

(d) Payment; Interest Computation. Interest is payable monthly on the first calendar day of each month and shall be computed on the basis of a 360-day year for the actual number of days elapsed. In computing interest, (i) all payments received after 12:00 p.m. Pacific time on any day shall be deemed received at the opening of business on the next Business Day, and (ii) the date of the making of any Credit Extension shall be included and the date of payment shall be excluded; provided, however, that if any Credit Extension is repaid on the same day on which it is made, such day shall be included in computing interest on such Credit Extension.

2.4 Fees. Borrower shall pay to Bank:

(a) Commitment Fee. A fully earned, non-refundable commitment fee of One Hundred Thousand Dollars ($100,000), on the Effective Date;

(b) Prepayment Fee. The Prepayment Fee, when due hereunder pursuant to the terms of Section 2.1.1(c);

(c) Final Payment. The Final Payment, when due hereunder; and

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

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

2.5 Payments; Application of Payments; Debit of Accounts.

(a) All payments (including prepayments) to be made by Borrower under any Loan Document shall be made in immediately available funds in Dollars, without setoff or counterclaim, before 12:00 p.m. Pacific time on the date when due. Payments of principal and/or interest received after 12:00 p.m. Pacific time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(b) Subject to Section 9.4 of this Agreement, Bank has the right to determine in its good faith business judgment (with consideration of Borrower's requests) the order and manner in which all payments with respect to the Obligations may be applied. Borrower shall have no right to specify the order or the accounts to which Bank shall allocate or apply any payments required to be made by Borrower to Bank or otherwise received by Bank under this Agreement when any such allocation or application is not specified elsewhere in this Agreement.

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

2.6 Withholding. Payments received by Bank from Borrower under this Agreement will be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority (including any interest, additions to tax or penalties applicable thereto). Specifically, however, if at any time any Governmental Authority, applicable law, regulation or international agreement requires Borrower to make any withholding or deduction from any such payment or other sum payable hereunder to Bank, Borrower hereby covenants and agrees that the amount due from Borrower with respect to such payment or other sum payable hereunder will be increased to the extent necessary to ensure that, after the making of such required withholding or deduction, Bank receives a net sum equal to the sum which it would have received had no withholding or deduction been required, and Borrower shall pay the full amount withheld or deducted to the relevant Governmental Authority. Borrower will, upon request, furnish Bank with proof reasonably satisfactory to Bank indicating that Borrower has made such withholding payment; provided, however, that Borrower need not make any withholding payment if the amount or validity of such withholding payment is contested in good faith by appropriate and timely proceedings and as to which payment in full is bonded or reserved against by Borrower. The agreements and obligations of Borrower contained in this Section 2.6 shall survive the termination of this Agreement.

3 CONDITIONS OF LOANS

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

(a) duly executed original signatures to the Loan Documents;

(b) duly executed original signatures to the Warrants;

(c) duly executed original signatures to the Control Agreement(s);

(d) the Operating Documents and long-form good standing certificates of Borrower and its Domestic Subsidiaries certified by the Secretary of State (or equivalent agency) of Borrower's and such Domestic Subsidiaries' jurisdiction of organization or formation and each jurisdiction in which Borrower is qualified to conduct business, each as of a date no earlier than thirty (30) days prior to the Effective Date;

(e) duly executed original signatures to the completed Borrowing Resolutions for Borrower;

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

(g) the Perfection Certificate of Borrower, together with the duly executed original signature thereto;

(h) a landlord's consent in favor of Bank for Borrower's leased location at 7575 Irvine Center Drive, Suite 200, Irvine, CA 92618 by the respective landlord thereof, together with the duly executed original signatures thereto;

(i) a bailee's waiver in favor of Bank for each location where Borrower maintains property with a third party, by each such third party, together with the duly executed original signatures thereto;

(j) a copy of Borrower's Investors' Rights Agreement and any amendments thereto;

(k) evidence satisfactory to Bank that the insurance policies and endorsements required by Section 6.5 hereof are in full force and effect, together with appropriate evidence showing lender loss payable and/or additional insured clauses or endorsements in favor of Bank; and

(l) payment of the fees and Bank Expenses then due as specified in Section 2.4 hereof.

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

(a) timely receipt of an executed Payment/Advance Form;

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

(c) Bank determines to its satisfaction that there has not been a Material Adverse Change.

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

3.4 Procedures for Borrowing. Subject to the prior satisfaction of all other applicable conditions to the making of the Term Loans set forth in this Agreement, if any portion of the proceeds of the Term Loans shall be used to finance Equipment, Borrower shall deliver to Bank by electronic mail a copy of the invoice for the Equipment to be financed and the request for the Term Loans.

4 CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Borrower hereby grants Bank, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Bank, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof.

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

If this Agreement is terminated, Bank's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall revert to Borrower. In the event (x) all Obligations (other than inchoate indemnity obligations), except for Bank Services, are satisfied in full, and (y) this Agreement is terminated, Bank shall terminate the security interest granted herein upon Borrower providing cash collateral acceptable to Bank in its good faith business judgment for Bank Services, if any. In the event such Bank Services consist of outstanding Letters of Credit, Borrower shall provide to Bank cash collateral in an amount equal to (x) if such Letters of Credit are denominated in Dollars, then at least one hundred five percent (105.0%); and (y) if such Letters of Credit are denominated in a Foreign Currency, then at least one hundred ten percent (110.0%), of the Dollar Equivalent of the face amount of all such Letters of Credit plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its business judgment), to secure all of the Obligations relating to such Letters of Credit.

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

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

5 REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows:

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

The execution, delivery and performance by Borrower of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower's Operating Documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority except such Governmental Approvals which have already been obtained and are in full force and effect or (v) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a material adverse effect on Borrower's business.

5.2 Collateral. Borrower has good title to, rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all Liens except Permitted Liens. Borrower has no Collateral Accounts at or with any bank or financial institution other than Bank or Bank's Affiliates except for the Collateral Accounts described in the Perfection Certificate delivered to Bank in connection herewith and which Borrower has taken such actions as are necessary to give Bank a perfected security interest therein, pursuant to the terms of Section 6.6(b). The Accounts are bona fide, existing obligations of the Account Debtors.

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

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

5.3 Intentionally Omitted.

5.4 Litigation. There are no actions or proceedings pending or, to the knowledge of Borrower, threatened in writing by or against Borrower or any of its Subsidiaries involving more than, individually or in the aggregate, Two Hundred Fifty Thousand Dollars ($250,000).

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

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

5.7 Regulatory Compliance. Borrower is not an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Borrower is not engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower (a) has complied in all material respects with all Requirements of Law, and (b) has not violated any Requirements of Law the violation of which could reasonably be expected to have a

material adverse effect on its business. None of Borrower's or any of its Subsidiaries' properties or assets has been used by Borrower or any Subsidiary or, to the best of Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally. Borrower and each of its Subsidiaries have obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Government Authorities that are necessary to continue their respective businesses as currently conducted.

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

5.9 Tax Returns and Payments; Pension Contributions. Borrower has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except (a) to the extent such taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor , or (b) if such taxes, assessments, deposits and contributions do not, individually or in the aggregate, exceed Fifty Thousand Dollars ($50,000).

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

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

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

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

6 AFFIRMATIVE COVENANTS

Borrower shall do all of the following:

6.1 Government Compliance.

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

(b) Obtain all of the Governmental Approvals necessary for the performance by Borrower of its obligations under the Loan Documents to which it is a party and the grant of a security interest to Bank in all of its property. Borrower shall promptly provide copies of any such obtained Governmental Approvals to Bank.

6.2 Financial Statements, Reports, Certificates. Provide Bank with the following:

(a) Monthly Financial Statements. As soon as available, but no later than thirty (30) days after the last day of each month, a company prepared consolidated balance sheet and income statement covering Borrower's consolidated operations for such month certified by a Responsible Officer and in a form acceptable to Bank (the "**Monthly Financial Statements**");

(b) Monthly Compliance Certificate. Within thirty (30) days after the last day of each month and together with the Monthly Financial Statements, a duly completed Compliance Certificate signed by a Responsible Officer, certifying that as of the end of such month, Borrower was in full compliance with all of the terms and conditions of this Agreement, and setting forth calculations showing compliance with the financial covenants (if any) set forth in this Agreement and such other information as Bank may reasonably request;

(c) Annual Operating Budget and Financial Projections. Within thirty (30) days after the end of each fiscal year of Borrower, (i) annual operating budgets (including income statements, balance sheets and cash flow statements, by month) for the upcoming fiscal year of Borrower, and (ii) annual financial projections for the following fiscal year (on a quarterly basis) as approved by Borrower's board of directors, together with any related business forecasts used in the preparation of such annual financial projections; provided that, any revisions of the annual financial projections approved by Borrower's board of directors shall be delivered to Bank no later than seven (7) days after such approval;

(d) Annual Audited Financial Statements. As soon as available, but no later than one hundred eighty (180) days after the last day of Borrower's fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion on the financial statements from an independent certified public accounting firm reasonably acceptable to Bank;

(e) Other Statements. Within five (5) days of delivery, copies of all reports made available to Borrower's security holders or to any holders of Subordinated Debt;

(f) SEC Filings. In the event that Borrower becomes subject to the reporting requirements under the Exchange Act, within five (5) days of filing, copies of all periodic and other reports, proxy statements and other materials filed by Borrower with the SEC, any Governmental Authority succeeding to any or all of the functions of the SEC or with any national securities exchange, or distributed to its shareholders, as the case may be. Documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower posts such documents, or provides a link thereto, on Borrower's website on the Internet at Borrower's website address;

(g) Legal Action Notice. A prompt report of any legal actions pending or threatened in writing against Borrower or any of its Subsidiaries that could reasonably be expected to result in damages or costs to Borrower or any of its Subsidiaries of, individually or in the aggregate, Two Hundred Fifty Thousand Dollars ($250,000) or more; and

(h) Other Financial Information. Other financial information reasonably requested by Bank.

6.3 Inventory; Returns. Keep all Inventory in good and marketable condition in all substantial respects, free from material defects. Returns and allowances between Borrower and its Account Debtors shall follow Borrower's customary practices as they exist at the Effective Date. Borrower must promptly notify Bank of all returns, recoveries, disputes and claims that involve more than Five Hundred Thousand Dollars ($500,000).

6.4 Taxes; Pensions. Timely file, and require each of its Subsidiaries to timely file, all required tax returns and reports and timely pay, and require each of its Subsidiaries to timely pay, all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower and each of its Subsidiaries, except for deferred payment of any taxes contested pursuant to the terms of Section 5.9 hereof, and shall deliver to Bank, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms.

6.5 Insurance.

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

(b) Ensure that proceeds payable under any property policy are, at Bank's option, payable to Bank on account of the Obligations.

6.6 Operating Accounts.

(a) Maintain its primary and its Domestic Subsidiaries' primary operating and other deposit accounts and securities accounts, and its primary and its Domestic Subsidiaries' primary cash management, letters of credit and business credit cards, with Bank and Bank's Affiliates.

(b) Provide Bank five (5) days prior written notice before establishing any Collateral Account at or with any bank or financial institution other than Bank or Bank's Affiliates. For each Collateral Account that Borrower at any time maintains, Borrower shall cause the applicable bank or financial institution (other than Bank) at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Bank's Lien in such Collateral Account in accordance with the terms hereunder which Control Agreement may not be terminated without the prior written consent of Bank. The provisions of the previous sentence shall not apply to deposit accounts exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrower's employees and identified to Bank by Borrower as such.

6.7 Intentionally Omitted.

6.8 Protection of Intellectual Property Rights.

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

(a) Provide written notice to Bank within thirty (30) days of entering or becoming bound by any Restricted License (other than over-the-counter software that is commercially available to the public). Borrower shall take such commercially reasonable steps as Bank requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (i) any Restricted License to be deemed "Collateral" and for Bank to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (ii) Bank to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Bank's rights and remedies under this Agreement and the other Loan Documents.

6.9 Litigation Cooperation. From the date hereof and continuing through the termination of this Agreement, make available to Bank, without expense to Bank, Borrower and its officers, employees and agents and Borrower's books and records, to the extent that Bank may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Bank with respect to any Collateral or relating to Borrower.

6.10 Access to Collateral; Books and Records. Allow Bank, or its agents, to inspect the Collateral and audit and copy Borrower's Books. Such inspections or audits shall be conducted no more often than once every twelve (12) months unless an Event of Default has occurred and is continuing in which case such inspections and audits shall occur as often as Bank shall determine is necessary. The foregoing inspections and audits shall be at Borrower's expense, and the charge therefor shall be One Thousand Dollars ($1,000) per person per day (or such higher amount as shall represent Bank's then-current standard charge for the same), plus reasonable out-of-pocket expenses.

6.11 Formation or Acquisition of Subsidiaries. Notwithstanding and without limiting the negative covenants contained in Sections 7.3 and 7.7 hereof, at the time that (i) Borrower forms any direct or indirect Material Subsidiary or acquires any direct or indirect Material Subsidiary after the Effective Date, or (ii) any existing Subsidiary of Borrower becomes a Material Subsidiary, Borrower shall (a) cause such Material Subsidiary to either (I) provide to Bank a joinder to the Loan Agreement to cause such Material Subsidiary to become a co-borrower hereunder, together with such appropriate financing statements and/or Control Agreements, or (II) guarantee the Obligations of Borrower under the Loan Documents and, in each case, grant a continuing pledge and security interest in and to the assets of such Subsidiary (substantially as described on Exhibit A hereto), all in form and substance satisfactory to Bank (including being sufficient to grant Bank a first priority Lien (subject to Permitted Liens) in and to the assets of such Material Subsidiary), (b) provide to Bank appropriate certificates and powers and financing statements, pledging all of the direct or beneficial ownership interest in such Material Subsidiary, in form and substance satisfactory to Bank, and (c) provide to Bank all other documentation in form and substance satisfactory to Bank, including one or more opinions of counsel satisfactory to Bank, which in its opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above. Any document, agreement, or instrument executed or issued pursuant to this Section 6.11 shall be a Loan Document.

6.12 Further Assurances. Execute any further instruments and take further action as Bank reasonably requests to perfect or continue Bank's Lien in the Collateral or to effect the purposes of this Agreement. Deliver to Bank, within five (5) days after the same are sent or received, copies of all correspondence, reports, documents and other filings with any Governmental Authority regarding compliance with or maintenance of Governmental Approvals or Requirements of Law or that could reasonably be expected to have a material effect on any of the Governmental Approvals or otherwise on the operations of Borrower or any of its Subsidiaries.

7 NEGATIVE COVENANTS

Borrower shall not do any of the following without Bank's prior written consent:

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out or obsolete Equipment that is, in the reasonable judgment of Borrower, no longer economically practicable to maintain or useful in the ordinary course of business of Borrower; (c) consisting of Permitted Liens and Permitted Investments; (d) consisting of the sale or issuance of any stock of Borrower permitted under Section 7.2 of this Agreement; (e) consisting of Borrower's use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents; and (f) of non-exclusive licenses for the use of the property of Borrower or its Subsidiaries in the ordinary course of business and licenses that could not result in a legal transfer of title of the licensed property but that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discreet geographical areas outside of the United States.

7.2 Changes in Business, Management, Control, or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by Borrower and such Subsidiary, as applicable, or reasonably related thereto; (b) liquidate or dissolve; (c) fail to provide notice to Bank of any Key Person departing from or ceasing to be employed by Borrower within thirty (30) days after his or her departure from Borrower; or (d) permit or suffer any Change in Control.

Borrower shall not, without at least thirty (30) days prior written notice to Bank: (1) add any new offices or business locations, including warehouses (unless such new offices or business locations contain less than Fifty Thousand Dollars ($50,000) in Borrower's assets or property) or deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Fifty Thousand Dollars ($50,000) to a bailee at a location other than to a bailee and at a location already disclosed in the Perfection Certificate, (2) change its jurisdiction of organization, (3) change its organizational structure or type, (4) change its legal name, or (5) change any organizational number (if any) assigned by its jurisdiction of organization. If Borrower intends to deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Fifty Thousand Dollars ($50,000) to a bailee, and Bank and such bailee are not already parties to a bailee agreement governing both the Collateral and the location to which Borrower intends to deliver the Collateral, then Borrower will first receive the written consent of Bank, and such bailee shall execute and deliver a bailee agreement in form and substance satisfactory to Bank. Notwithstanding the foregoing, Bank agrees and acknowledges that Borrower shall move its corporate headquarters to 26 Technology Drive, Irvine, California no later than six (6) months after execution of this Agreement; provided that within sixty (60) days of completing such move, Borrower shall deliver to Bank landlord consent in favor of Bank for such location, duly executed by the respective landlord thereof.

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

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

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

7.6 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.6(b) hereof.

7.7 Distributions; Investments. (a) Pay any dividends or make any distribution or payment or redeem, retire or purchase any capital stock provided that (i) Borrower may convert any of its convertible securities into other securities pursuant to the terms of such convertible securities or otherwise in exchange thereof, (ii) Borrower may pay dividends solely in common stock; and (iii) Borrower may repurchase the stock of former employees or consultants pursuant to stock repurchase agreements so long as an Event of Default does not exist at the time of such repurchase and would not exist after giving effect to such repurchase, provided that the aggregate amount of all such repurchases does not exceed One Hundred Thousand Dollars ($100,000) per fiscal year; or (b) directly or indirectly make any Investment (including, without limitation, by the formation of any Subsidiary) other than Permitted Investments, or permit any of its Subsidiaries to do so.

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

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

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

7.11 Assets in Foreign Subsidiaries. Transfer to, or permit Foreign Subsidiaries to hold or maintain, at any time assets of an aggregate value in excess of Two Hundred Fifty Thousand Dollars ($250,000); provided, however, that Foreign Subsidiaries may have an aggregate value of assets which exceeds Two Hundred Fifty Thousand Dollars ($250,000) for a period of less than 30 consecutive days, provided that at the end of such 30 day period, all such assets in excess of Two Hundred Fifty Thousand Dollars ($250,000) are transferred to an account at Bank.

8 EVENTS OF DEFAULT

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

8.1 Payment Default. Borrower fails to (a) make any payment of principal or interest on any Credit Extension when due, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day cure period shall not apply to payments due on the Term Loan Maturity Date). During the cure period, the failure to make or pay any payment specified under clause 8.2(b) hereunder is not an Event of Default (but no Credit Extension will be made during the cure period);

8.2 Covenant Default.

(a) Borrower fails or neglects to perform any obligation in Sections 6.2, 6.4, 6.5, 6.6, 6.10, 6.11, 6.12 or violates any covenant in Section 7; or

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

8.3 Material Adverse Change. A Material Adverse Change occurs;

8.4 Attachment; Levy; Restraint on Business.

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

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

8.5 Insolvency. (a) Borrower or any of its Subsidiaries is unable to pay its debts (including trade debts) as they become due or otherwise becomes insolvent; Borrower or any of its Subsidiaries fails to be solvent as described under Section 5.6 hereof; (b) Borrower or any of its Subsidiaries begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against Borrower or any of its Subsidiaries and is not dismissed or stayed within thirty (30) days (but no Credit Extensions shall be made while any of the conditions described in clause (a) exist and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. There is, under any agreement to which Borrower or any Guarantor is a party with a third party or parties, (a) any default resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of Seven Hundred Fifty Thousand Dollars ($750,000); or (b) any breach or default by Borrower or Guarantor, the result of which could reasonably be expected to have a material adverse effect on Borrower's or any Guarantor's business;

8.7 Judgments; Penalties. One or more fines, penalties or final judgments, orders or decrees for the payment of money in an amount, individually or in the aggregate, of at least Five Hundred Thousand Dollars ($500,000) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against Borrower by any Governmental Authority, and the same are not, within ten (10) days after the entry, assessment or issuance thereof, discharged, satisfied, or paid, or after execution thereof, stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that no Credit Extensions will be made prior to the satisfaction, payment, discharge, stay, or bonding of such fine, penalty, judgment, order or decree);

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

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

8.10 Guaranty. (a) Any guaranty of any Obligations terminates or ceases for any reason to be in full force and effect; (b) any Guarantor does not perform any obligation or covenant under any guaranty of the Obligations; (c) any circumstance described in Sections 8.3, 8.4, 8.5, 8.7, or 8.8 occurs with respect to any Guarantor, or (d) the liquidation, winding up, or termination of existence of any Guarantor; or

8.11 Governmental Approvals. Any Governmental Approval (other than with respect to Governmental Approvals relating to the Borrower's products in the ordinary course of business) shall have been (a) revoked, rescinded, suspended, modified in an adverse manner or not renewed in the ordinary course for a full term

or (b) subject to any decision by a Governmental Authority that designates a hearing with respect to any applications for renewal of any of such Governmental Approval or that could result in the Governmental Authority taking any of the actions described in clause (a) above, and such decision or such revocation, rescission, suspension, modification or non-renewal (i) cause, or could reasonably be expected to cause, a Material Adverse Change, or (ii) adversely affects the legal qualifications of Borrower or any of its Subsidiaries to hold such Governmental Approval in any applicable jurisdiction and such revocation, rescission, suspension, modification or non-renewal could reasonably be expected to materially and adversely affect the status of or legal qualifications of Borrower or any of its Subsidiaries to hold any Governmental Approval in any other jurisdiction.

9 BANK'S RIGHTS AND REMEDIES

9.1 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Bank may, without notice or demand, do any or all of the following:

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

(b) stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Bank;

(c) demand that Borrower (i) deposit cash with Bank in an amount equal to at least one hundred ten percent (110%) of the Dollar Equivalent of the aggregate face amount of all Letters of Credit remaining undrawn (plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment)), to secure all of the Obligations relating to such Letters of Credit, as collateral security for the repayment of any future drawings under such Letters of Credit, and Borrower shall forthwith deposit and pay such amounts, and (ii) pay in advance all letter of credit fees scheduled to be paid or payable over the remaining term of any Letters of Credit;

(d) terminate any FX Contracts;

(e) verify the amount of, demand payment of and performance under, and collect any Accounts and General Intangibles, settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Bank considers advisable, and notify any Person owing Borrower money of Bank's security interest in such funds;

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

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

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

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

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

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

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

9.3 Protective Payments. If Borrower fails to obtain the insurance called for by Section 6.5 or fails to pay any premium thereon or fails to pay any other amount which Borrower is obligated to pay under this Agreement or any other Loan Document or which may be required to preserve the Collateral, Bank may obtain such insurance or make such payment, and all amounts so paid by Bank are Bank Expenses and immediately due and payable, bearing interest at the then highest rate applicable to the Obligations, and secured by the Collateral. Bank will make reasonable efforts to provide Borrower with notice of Bank obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Bank are deemed an agreement to make similar payments in the future or Bank's waiver of any Event of Default.

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

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

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

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

10 NOTICES

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address or email address indicated below. Bank or Borrower may change its mailing or electronic mail address by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower:	AXONICS MODULATION TECHNOLOGIES, INC. 7575 Irvine Center Dr., Ste. 200 Irvine, CA 92618 Attn: Dan L. Dearen, CFO Email: DDearen@axonicsmodulation.com
If to Bank:	SILICON VALLEY BANK 4730 La Jolla Village Drive, Suite 1050 San Diego, CA 92122 Attn: Mike White Email: mwhite@svb.com

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

Except as otherwise expressly provided in any of the Loan Documents, California law governs the Loan Documents without regard to principles of conflicts of law. Borrower and Bank each submit to the exclusive jurisdiction of the State and Federal courts in Santa Clara County, California; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Bank from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Bank. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in, or subsequently provided by Borrower in accordance with, Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

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

WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY, if the above waiver of the right to a trial by jury is not enforceable, the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time

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

This Section 11 shall survive the termination of this Agreement.

12 GENERAL PROVISIONS

12.1 Termination Prior to Term Loan Maturity Date; Survival. All covenants, representations and warranties made in this Agreement continue in full force until this Agreement has terminated pursuant to its terms and all Obligations have been satisfied. So long as Borrower has satisfied the Obligations (other than inchoate indemnity obligations, any other obligations which, by their terms, are to survive the termination of this Agreement, and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement), this Agreement may be terminated prior to the Term Loan Maturity Date by Borrower, effective three (3) Business Days after written notice of termination is given to Bank. Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination.

12.2 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Agreement or any rights or obligations under it without Bank's prior written consent (which may be granted or withheld in Bank's discretion). Bank has the right, without the consent of or notice to Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights, and benefits under this Agreement and the other Loan Documents (other than the Warrants, as to which assignment, transfer and other such actions are governed by the terms thereof).

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

This Section 12.3 shall survive until all statutes of limitation with respect to the Claims, losses, and expenses for which indemnity is given shall have run.

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

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

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

12.7 Amendments in Writing; Waiver; Integration. No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, shall be enforceable or admissible unless, and only to the extent, expressly set forth in a writing signed by the party against which enforcement or admission is sought. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of the Loan Documents merge into the Loan Documents.

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

12.9 Confidentiality. In handling any confidential information, Bank shall exercise the same degree of care that it exercises for its own proprietary information, but disclosure of information may be made: (a) to Bank's Subsidiaries or Affiliates (such Subsidiaries and Affiliates, together with Bank, collectively, "**Bank Entities**"); (b) to prospective transferees or purchasers of any interest in the Credit Extensions (provided, however, that any prospective transferee or purchaser shall have entered into an agreement containing provisions substantially the same as those in this Section); (c) as required by law, regulation, subpoena, or other order; (d) to Bank's regulators or as otherwise required in connection with Bank's examination or audit; (e) as Bank considers appropriate in exercising remedies under the Loan Documents; and (f) to third-party service providers of Bank so long as such service providers have executed a confidentiality agreement with Bank with terms no less restrictive than those contained herein. Confidential information does not include information that is either: (i) in the public domain or in Bank's possession when disclosed to Bank, or becomes part of the public domain (other than as a result of its disclosure by Bank in violation of this Agreement) after disclosure to Bank; or (ii) disclosed to Bank by a third party, if Bank does not know that the third party is prohibited from disclosing the information.

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

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

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

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

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

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

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

13 DEFINITIONS

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

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

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

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

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

"**Amortization Start Date**" is the first day of the month immediately following the end of the Interest Only Period.

"**Authorized Signer**" is any individual listed in Borrower's Borrowing Resolution who is authorized to execute the Loan Documents, including any Advance request, on behalf of Borrower.

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

"**Bank Entities**" is defined in Section 12.9.

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

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

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

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

"**Borrowing Resolutions**" are, with respect to any Person, those resolutions substantially in the form attached hereto as Exhibit D.

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

"**Cash Equivalents**" means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor's Ratings Group or Moody's Investors Service, Inc.; (c) Bank's certificates of deposit issued maturing no more than one (1) year after issue; and (d) money market funds at least ninety-five percent (95%) of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (c) of this definition.

"**Change in Control**" means (a) at any time, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), shall become, or obtain rights (whether by means or warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of forty-nine percent (49%) or more of the ordinary voting power for the election of directors of Borrower (determined on a fully diluted basis) other than by the sale of Borrower's equity securities in a public offering or to venture capital or private equity investors so long as Borrower identifies to Bank the venture capital or private equity investors at least seven (7) Business Days prior to the closing of the transaction and provides to Bank a description of the material terms of the transaction; (b) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body; provided, that such clause (b) shall not be triggered by the change in persons appointed to the board of directors by an entity with the right to appoint a designee to the board of directors; or (c) at any time, Borrower shall cease to own and control, of record and beneficially, directly or indirectly, one hundred percent (100%) of each class of outstanding capital stock of each subsidiary of Borrower free and clear of all Liens (except Liens created by this Agreement).

"**Claims**" is defined in Section 12.3.

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

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

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

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

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

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

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

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

"**Credit Extension**" is any Term Loan, Letter of Credit, FX Contract, or any other extension of credit by Bank for Borrower's benefit.

"**Currency**" is coined money and such other banknotes or other paper money as are authorized by law and circulate as a medium of exchange.

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

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

"**Designated Deposit Account**" is the multicurrency account denominated in Dollars, account number 330099XXXX, maintained by Borrower with Bank.

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

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

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

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

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

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

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

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

"**Final Payment**" is a payment (in addition to and not a substitution for the regularly monthly payments of principal plus accrued interest) due on the earliest to occur of (a) the Term Loan Maturity Date, (b) the acceleration of any Term Loan, or (c) the prepayment of a Term Loan, equal to the original principal amount of such Term Loan multiplied by the Final Payment Percentage.

"**Final Payment Percentage**" is seven and one half percent (7.50%).

"**Foreign Currency**" means lawful money of a country other than the United States. "Foreign Subsidiary" means any Subsidiary which is not a Domestic Subsidiary.

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

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

"**GAAP**" is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

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

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

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

"**Guarantor**" is any Person providing a Guaranty in favor of Bank.

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

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

"**Indemnified Person**" is defined in Section 12.3.

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

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

(a) its Copyrights, Trademarks and Patents;

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

(c) any and all source code;

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

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

(f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

"**Interest-Only Period**" means the period commencing on the Effective Date and continuing through December 31, 2018; provided that, (i) if Borrower requests and Bank funds the either the Term B Loan or the Term C Loan, the Interest-Only Period shall automatically be extended through June 30, 2019; and (ii) if Borrower achieves the Term C Draw Period Milestone 1 and Borrower requests and Bank funds the Term C Loan, the Interest-Only Period shall automatically be extended through December 31, 2019.

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

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

"**Key Person**" is each of Borrower's (a) Chief Executive Officer, who is Raymond W. Cohen as of the Effective Date, and (b) Chief Financial Officer, who is Dan L. Dearen as of the Effective Date.

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

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

"**Loan Documents**" are, collectively, this Agreement and any schedules, exhibits, certificates, notices, and any other documents related to this Agreement, the Warrants, any Bank Services Agreement, any subordination

agreement, any note, or notes or guaranties executed by Borrower or any Guarantor, and any other present or future agreement by Borrower and/or any Guarantor with or for the benefit of Bank in connection with this Agreement or Bank Services, all as amended, restated, or otherwise modified.

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

"**Material Subsidiary**" is any Subsidiary of Borrower whose (a) revenues for the most recently ended four-quarter period for which financial statements are available exceed Five Hundred Thousand Dollars ($500,000) or (b) whose Cash and other liquid assets exceed Two Hundred Fifty Thousand Dollars ($250,000).

"**Obligations**" are Borrower's obligations to pay when due any debts, principal, interest, fees, Bank Expenses, the Prepayment Fee, the Final Payment and other amounts Borrower owes Bank now or later, whether under this Agreement, the other Loan Documents (other than the Warrants), or otherwise, including, without limitation, all obligations relating to letters of credit (including reimbursement obligations for drawn and undrawn letters of credit), cash management services, and foreign exchange contracts, if any, and including interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of Borrower assigned to Bank, and to perform Borrower's duties under the Loan Documents (other than the Warrants).

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

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

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

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

"**Permitted Indebtedness**" is:

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

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

(c) Subordinated Debt;

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

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

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

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

"**Permitted Investments**" are:

(a) Investments (including, without limitation, Subsidiaries) existing on the Effective Date and shown on the Perfection Certificate or Subsidiaries formed after the Effective Date for which Bank has provided consent pursuant to Section 7.7;

(b) Investments consisting of Cash Equivalents;

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

(d) Investments consisting of deposit accounts in which Bank has a perfected security interest;

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

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

(g) Investments (i) by Borrower in Subsidiaries not to exceed Two Hundred Fifty Thousand Dollars ($250,000) in the aggregate in any fiscal year and (ii) by Subsidiaries in other Subsidiaries not to exceed Fifty Thousand Dollars ($50,000) in the aggregate in any fiscal year or in Borrower;

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

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

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

"**Permitted Liens**" are:

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

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

(c) purchase money Liens (i) on Equipment acquired or held by Borrower incurred for financing the acquisition of the Equipment securing no more than Two Hundred Fifty Thousand Dollars ($250,000) in the aggregate amount outstanding, or (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;

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

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

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

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

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

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

(j) Liens in favor of other financial institutions arising in connection with Borrower's deposit and/or securities accounts held at such institutions, provided that Bank has a perfected security interest in the amounts held in such deposit and/or securities accounts.

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

"**Prepayment Fee**" is, with respect to any Term Loan subject to prepayment prior to the Term Loan Maturity Date, whether by mandatory or voluntary prepayment, acceleration or otherwise, an additional fee payable to Bank in an amount equal to: (i) for a prepayment made on or after the Effective Date through and including the first anniversary of the Effective Date, three percent (3.00%) of the principal amount of the Term Loans prepaid; (ii) for a prepayment made after the date which is the first anniversary of the Effective Date through and including the second anniversary of the Effective Date, two percent (2.00%) of the principal amount of the Term Loans prepaid and (iii) for a prepayment made after the date which is the second anniversary of the Effective Date and before the Term Loan Maturity Date, one percent (1.00%) of the principal amount of the Term Loans prepaid.

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

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

"**Regulatory Change**" means, with respect to Bank, any change on or after the date of this Agreement in United States federal, state, or foreign laws or regulations, including Regulation D, or the adoption or making on or after such date of any interpretations, directives, or requests applying to a class of lenders including Bank, of or under any United States federal or state, or any foreign laws or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof.

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

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

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

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

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

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

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

"**Term Loan(s)**" is a loan made by Bank pursuant to the terms of Section 2.1.1 hereof.

"**Term A Loan**" is a loan made by Bank pursuant to the terms of Section 2.1.1 hereof.

"**Term B Loan**" is a loan made by Bank pursuant to the terms of Section 2.1.1 hereof.

"**Term B Draw Period**" is the period of time commencing on the later of (a) the date Borrower achieves the Term B Draw Period Milestone and (b) July 1, 2018, and ending on December 31, 2018.

"**Term B Draw Period Milestone**" is Borrower's achievement of positive three-month data from the US Pivotal study (confirmed by one member of management and one board member).

"**Term C Loan**" is a loan made by Bank pursuant to the terms of Section 2.1.1 hereof.

"**Term C Draw Period**" is the period of time commencing on the later of (a) the date Borrower achieves either Term C Draw Period Milestone 1 or Term C Draw Period Milestone 2 and (b) January 1, 2019, and ending on March 31, 2019.

"**Term C Draw Period Milestone 1**" is receipt by Bank of evidence, in form and substance reasonably satisfactory to Bank, that Borrower has received pre-market approval for its rechargeable Sacral Neuromodulation (r-SNM) System.

"**Term C Draw Period Milestone 2**" is receipt by Bank of evidence, in form and substance reasonably satisfactory to Bank, that Borrower has received gross proceeds of not less than Twenty Million Dollars ($20,000,000) from the sale of its equity securities.

"**Term Loan Maturity Date**" is June 1, 2021; provided, however, that if Borrower requests and Bank funds either the Term B Loan or the Term C Loan, then the Term Loan Maturity Date shall automatically and without further action from any party be extended to December 1, 2021.

"**Term Loan Payment**" is defined in Section 2.1.1(b).

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

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

"**Warrants**" are those certain Warrants to Purchase Stock dated as of the Effective Date, or any date theretofore or thereafter, issued by Borrower in favor of Bank and Life Science Loans, LLC.

[Signature page follows.]

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

BORROWER

AXONICS MODULATION TECHNOLOGIES, INC.

By: /s/ Dan L. Dearen
Name: Dan L. Dearen
Title: COO and CFO

BANK

SILICON VALLEY BANK

By: /s/ R. Michael White
Name: R. Michael White
Title: Managing Director

EXHIBIT A

COLLATERAL DESCRIPTION

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

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

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

Notwithstanding the foregoing, the Collateral does not include any of the following: (a) Intellectual Property; provided, however, the Collateral shall include all Accounts and all proceeds of Intellectual Property. If a judicial authority (including a U.S. Bankruptcy Court) would hold that a security interest in the underlying Intellectual Property is necessary to have a security interest in such Accounts and such property that are proceeds of Intellectual Property, then the Collateral shall automatically, and effective as of the Effective Date, include the Intellectual Property to the extent necessary to permit perfection of Bank's security interest in such Accounts and such other property of Borrower that are proceeds of the Intellectual Property; and (b) more than 65% of the presently existing and hereafter arising issued and outstanding shares of capital stock owned by Borrower of any Foreign Subsidiary which shares entitle the holder thereof to vote for directors or any other matter.

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

EXHIBIT B

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK Date: February 6, 2018
FROM: AXONICS MODULATION TECHNOLOGIES, INC.

The undersigned authorized officer of AXONICS MODULATION TECHNOLOGIES, INC. ("Borrower") certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (the "Agreement"):

(1) Borrower is in complete compliance for the period ending _____ with all required covenants except as noted below; (2) there are no Events of Default; (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; (4) Borrower, and each of its Subsidiaries, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement; and (5) no Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank.

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

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

Reporting Covenants	**Required**	**Complies**
Monthly financial statements with Compliance Certificate	Monthly within 30 days	Yes No
Annual financial statement (CPA Audited) + CC	FYE within 180 days	Yes No
10-Q, 10-K and 8-K	Within 5 days after filing with SEC (if applicable)	Yes No
Annual Financial Projections/Budget (prepared on a quarterly basis)	Annually, within 30 days of FYE and (ii) within 7 days of board approval when revised	Yes No

Other Matters

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

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

AXONICS MODULATION TECHNOLOGIES, INC.

By: _____

Name: _____

Title: _____

BANK USE ONLY

Received by: _____
AUTHORIZED SIGNER

Date: _____

Verified: _____
AUTHORIZED SIGNER

Date: _____

Compliance Status Yes No

EXHIBIT C – LOAN PAYMENT/ADVANCE REQUEST FORM

DEADLINE FOR SAME DAY PROCESSING IS NOON PACIFIC TIME*

Fax To: Date:_____

LOAN PAYMENT:

AXONICS MODULATION TECHNOLOGIES, INC.

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

Principal $_____ and/or Interest $_____

Authorized Signature:_____ Phone Number:_____

Print Name/Title:_____

LOAN ADVANCE:

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

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

Amount of Advance $_____

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

Authorized Signature:_____ Phone Number:_____

Print Name/Title:_____

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

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

Beneficiary Bank Transit (ABA) #:_____ Beneficiary Bank Code (Swift, Sort, Chip, etc.):_____
(For International Wire Only)

Intermediary Bank:_____ Transit (ABA) #:_____

For Further Credit to:_____

Special Instruction:_____

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

Authorized Signature:_____ 2nd Signature (if required):_____

Print Name/Title:_____ Print Name/Title:_____

Telephone #:_____ Telephone #:_____

EXHIBIT D

BORROWING RESOLUTIONS

CORPORATE BORROWING CERTIFICATE

BORROWER: AXONICS MODULATION TECHNOLOGIES, INC. DATE: February 6, 2018
BANK: Silicon Valley Bank

I hereby certify as follows, as of the date set forth above:

1. I am the Secretary, Assistant Secretary or other officer of Borrower. My title is as set forth below.

2. Borrower's exact legal name is set forth above. Borrower is a corporation existing under the laws of the State of Delaware.

3. Attached hereto are true, correct and complete copies of Borrower's Articles/Certificate of Incorporation (including amendments), as filed with the Secretary of State of the state in which Borrower is incorporated as set forth above. Such Articles/Certificate of Incorporation have not been amended, annulled, rescinded, revoked or supplemented, and remain in full force and effect as of the date hereof.

4. The following resolutions were duly and validly adopted by Borrower's Board of Directors at a duly held meeting of such directors (or pursuant to a unanimous written consent or other authorized corporate action). Such resolutions are in full force and effect as of the date hereof and have not been in any way modified, repealed, rescinded, amended or revoked, and Silicon Valley Bank ("Bank") may rely on them until Bank receives written notice of revocation from Borrower.

RESOLVED, that **any one** of the following officers or employees of Borrower, whose names, titles and signatures are below, may act on behalf of Borrower:

Name	Title	Signature	Authorized to Add or Remove Signatories
			☐
			☐
			☐
			☐

RESOLVED FURTHER, that **any one** of the persons designated above with a checked box beside his or her name may, from time to time, add or remove any individuals to and from the above list of persons authorized to act on behalf of Borrower.

RESOLVED FURTHER, that such individuals may, on behalf of Borrower:

Borrow Money. Borrow money from Bank.
Execute Loan Documents. Execute any loan documents Bank requires.
Grant Security. Grant Bank a security interest in any of Borrower's assets.
Negotiate Items. Negotiate or discount all drafts, trade acceptances, promissory notes, or other indebtedness in which Borrower has an interest and receive cash or otherwise use the proceeds. Apply for Letters of Credit. Apply for letters of credit from Bank.
Enter Derivative Transactions. Execute spot or forward foreign exchange contracts, interest rate swap agreements, or other derivative transactions.
Issue Warrants. Issue warrants for Borrower's capital stock.
Further Acts. Designate other individuals to request advances, pay fees and costs and execute other documents or agreements (including documents or agreement that waive Borrower's right to a jury trial) they believe to be necessary to effect these resolutions.

RESOLVED FURTHER, that all acts authorized by the above resolutions and any prior acts relating thereto are ratified.

5. The persons listed above are Borrower's officers or employees with their titles and signatures shown next to their names.

By: _____
Name: _____
Title: _____

*** *If the Secretary, Assistant Secretary or other certifying officer executing above is designated by the resolutions set forth in paragraph 4 as one of the authorized signing officers, this Certificate must also be signed by a second authorized officer or director of Borrower.*

I, the _____ of Borrower, hereby certify as to paragraphs l through 5 above, as of the date set forth above.

By: _____
Name: _____
Title: _____

EXECUTIVE EMPLOYMENT AGREEMENT

This executive employment agreement (this "Agreement") is effective as of May 22, 2014 by and between Axonics Modulation Technologies, Inc., a Delaware Corporation ("Company"), and Raymond W. Cohen ("Executive").

For the purposes of this Agreement, and as defined by the Company's 2014 Stock Option Plan (the "Plan"), a "Change in Control" shall mean (i) the consummation of a merger or consolidation of the Company with or into another entity, (ii) the dissolution, liquidation or winding up of the Company. or (iii) the sale of all or substantially all of the Company's assets. The foregoing notwithstanding, a merger or consolidation of the Company shall not constitute a "Change in Control" if immediately after such merger or consolidation a majority of the voting power of the capital stock of the continuing or surviving entity, or any direct or indirect parent corporation of such continuing or surviving entity, will be owned by the persons who were the Company's stockholders immediately prior to such merger or consolidation in substantially the same proportions as their ownership of the voting power of the Company's capital stock immediately prior to such merger or consolidation.

In consideration of the premises and the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the parties agree as follows:

1. **EMPLOYMENT/TERM.** Company hereby employs Executive to perform those duties and responsibilities set forth below under Position and Duties and Executive hereby accepts such employment for a period commencing May 22, 2014, ("Effective Date") and ending on July 1, 2019, (the "Term") unless earlier terminated pursuant to the section titled Termination.

2. **POSITION AND DUTIES.**

    a. Description of Executive's Position and Duties and Responsibilities. The Executive shall serve as the Chief Executive Officer and as a member of the Company's Board of

Directors. Executive shall report to Company's Board of Directors and shall have the duties and responsibilities typical for such position and such other duties and responsibilities as may be reasonably assigned or modified by the Board of Directors.

b. Performance of Duties. Executive agrees to be bound by all of Company's policies and procedures relating to the conduct of its employees.

3. **COMPENSATION AND BENEFITS.**

a. Base Salary. Executive's base salary ("Base Salary") shall be three hundred sixty thousand dollars ($360,000) per year payable in equal amounts twice monthly. The Company Board of Directors will review the Executive's Base Salary on an annual basis, however, the Company makes no assurances that executives Base Salary will be increased during the term.

b. Benefits and Vacation. Executive shall be eligible to receive such medical coverage and other benefits as are available to the senior executives of Company. Executive shall be entitled to four (4) weeks paid vacation each year during the term in accordance with the normal policies of Company.

c. Incentive Compensation. Any incentive compensation, other than equity grants, such as the potential for bonus payments is at the sole discretion of the Board of Directors. Company currently has no bonus plan in place and makes no assurances of any future plan.

d. Stock Option Grant. The Company Board of Directors has approved a resolution that Executive shall be granted stock options to acquire up to ninety nine thousand one hundred eighty three (99,183) options to purchase common stock in the company in accordance with the terms and conditions of the Plan and Executive's Stock Option Agreement with Company. In addition, if the Company is subject to a Change in Control

before or within ninety (90) days following termination of the Executive's service, then 100% of the Shares subject to the Options shall vest.

4. **TERMINATION.**

a. Death. Executive's employment hereunder shall terminate on the death of Executive.

b. Disability. Executive's employment hereunder may be terminated, at the option of Company, upon the Disability of Executive. For purposes of this agreement, Disability means the inability of Executive to perform his duties under this agreement due to Executive's physical or mental illness or impairment, even with reasonable accommodation, for more than twenty-six (26) substantially consecutive weeks in any twelve (12)-month period. For purposes of this section the termination date will be on the date after the substantially consecutive 26th week that Executive receives written notice from Company with respect to the Disability.

c. Termination for Cause. Notwithstanding any other provision of this Agreement, Company may, at any time, immediately terminate Executive's employment for Cause. For this purpose, Cause means (i) an act by Executive which constitutes misappropriation, embezzlement or fraud, (ii) any other act that would materially and adversely impact the business or reputation of Company, (iii) conviction of, or pleading nolo contendere to, any felony or (iv) any other breach by Executive of any of the provisions of this Agreement, which continues for more than ten (10) calendar days without cure (to the extent such breach is curable) after written notice by Company to Executive specifying such breach and the actions needed to cure such breach (to the extent such breach is curable).

d. Termination Without Cause. Company may terminate Executive's employment at any time without Cause upon thirty (30) days' prior written notice to Executive.

5. **COMPENSATION UPON TERMINATION.** Executive shall be entitled to the following benefits upon termination of his or her employment prior to July 1, 2019:

a. **Death or Disability**. If the Executive's employment shall be terminated: (i) by reason of Executive's death, or (ii) by Company for Disability; Company shall: (a) within thirty (30) days following the date of such termination ("Termination Date") the Company will pay Executive all amounts due pursuant to the sections on Base Salary, Benefits (including premiums for the cost of continuing health care coverage and any matching related to the Company's 401(k) plan), and Incentive Compensation (including a pro-rated bonus, if any, for the year in which the termination occurs) hereof through the date of such termination, plus a lump sum amount equal to twelve (12) months of the Executive's Base Salary; it being understood and agreed that the payments under this paragraph 5(a) shall be conditioned upon Executive executing a waiver and release agreement in a form satisfactory to Company. If the Executive is unable to execute such waiver and release agreement due to death or Disability, then the waiver and release agreement shall be executed by an authorized agent or representative of Executive and/or Executive's estate.

b. **For Cause or Without Good Reason**. If Executive's employment is terminated: (i) by Company for Cause, or (ii) by Executive for any reason other than for good reason (as defined below), Company shall, within thirty (30) days following the Termination Date, pay Executive all amounts due pursuant to the sections on Base Salary, Benefits, and Incentive Compensation hereof through the date of such termination and Company shall have no further obligation to Executive under this Agreement.

c. **Without Cause or for Good Reason**. In the event of termination without Cause (including a Change in Control) or Executive's resignation for good reason (such as a material change in Executive's duties or responsibilities, a material reduction in salary, a material adverse relocation of primary work location, the failure of the Company to renew the term of the employment agreement, the material failure of the Company or any successor entity to perform its obligations under Executive's employment agreement or Executive's resignation for any reason during the twelve (12) month period after a change in control), the Company will pay Executive all amounts due pursuant to the sections on Base Salary, Benefits (including premiums for the cost of continuing health care coverage and any matching related to the Company's 401(k) plan), and Incentive Compensation (including a pro-rated bonus, if any, for the year in which the termination occurs) hereof through the date of such termination, plus a lump sum amount equal to twelve (12) months of the Executive's Base Salary.

d. The stock option grants issued under this Agreement and under prior stock option grants are governed by the terms and conditions of the Plan. Nothing in this Section or any waiver and release agreement contemplated hereunder shall affect any rights of Executive with respect to Executive's stock options.

6. **PROPRIETARY INVENTIONS AND CONFIDENTIAL INFORMATION.**

a. The following confirms and memorializes an agreement that Company and Executive have had since the commencement of employment (which term, for purposes of this agreement, shall be deemed to include any relationship of service to the Company that may have existed prior to actually becoming an employee) with the Company in any capacity and that is and has been a material part of the consideration for employment by Company:

i. Executive has not entered into, and agrees he/she will not enter into, any agreement either written or oral in conflict with this Agreement or Executive's employment with Company. Executive will not violate any agreement with or rights of any third party or, except as expressly authorized by Company in writing hereafter, use or disclose Executive's own or any third party's confidential information or intellectual property when acting within the scope of my employment or otherwise on behalf of Company.

ii. Company shall own all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, *sui generis* database rights and all other intellectual property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by me during the term of Executive's employment with Company to and only to the fullest extent allowed by California Labor Code Section 2870 (collectively "Inventions") and Executive will promptly disclose all Inventions to Company. Without disclosing any third party confidential information, Executive will also disclose anything Executive believes is excluded by Section 2870 so that the Company can make an independent assessment. Executive hereby make all assignments necessary to accomplish the foregoing. Executive shall further assist Company, at Company's expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights specified to be so owned or assigned. Executive hereby irrevocably designates and appoints Company as agent and attorney-in-fact, coupled with an interest and with full power of substitution, to act for and in Executive's behalf to execute and file any

document and to do all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by Executive. If anything created by Executive prior to his or her employment relates to Company's actual or proposed business, Executive has listed it on Appendix B in a manner that does not violate any third party rights or disclose any confidential information. Without limiting Section I or Company's other rights and remedies, if, when acting within the scope of Executive's employment or otherwise on behalf of Company, Executive uses or (except solely on Appendix A pursuant to this Section) discloses his or her own or any third party's confidential information or intellectual property (or if any Invention cannot be fully made, used, reproduced, distributed and otherwise exploited without using or violating the foregoing), Company will have and Executive hereby grants Company a perpetual, irrevocable, worldwide royalty-five, non-exclusive, sub licensable right and license to exploit and exercise all such confidential information and intellectual property rights.

iii. To the extent allowed by law, paragraph 6(a)(ii) above includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as "moral rights," "artist's rights," "droit moral," or the like (collectively "Moral Rights"). To the extent Executive retains any such Moral Rights under applicable law, Executive hereby ratifies and consents to any action that may be taken with respect to such Moral Rights by or authorized by Company and agree not to assert any Moral Rights with respect thereto. Executive will confirm any such ratifications, consents and agreements from time to time as requested by Company.

iv. Executive agrees that all Inventions and all other business, technical and financial information (including, without limitation, the identity of and information relating to customers or employees) that he or she develops, learns or obtain during the term of employment that relate to Company or the business or demonstrably anticipated business of Company or that are received by or for Company in confidence, constitute "Proprietary Information." Executive will hold in confidence and not disclose or, except within the scope of employment, use any Proprietary Information. However, Executive shall not be obligated under this paragraph with respect to information they can document is or becomes readily publicly available without restriction through no fault of Executive. Upon termination of employment, Executive will promptly return to Company all items containing or embodying Proprietary Information (including all copies), except that Executive may keep my personal copies of (A) Executive's compensation records and performance reviews, (B) materials distributed to shareholders generally, and (C) this Agreement. Executive also recognizes and agrees that Executive has no expectation of privacy with respect to Company's telecommunications, networking or information processing systems (including, without limitation, stored computer files, email messages and voice messages) and that Executive's activity and any files or messages on or using any of those systems may be monitored at any time without notice.

v. Executive agrees that during the term of employment with Company (whether or not during business hours), Executive will not engage in any activity that is in any way competitive with the business or demonstrably anticipated business of Company, and Executive will not assist any other person or organization in competing or in preparing to compete with any business or demonstrably anticipated business of Company.

vi. Executive agrees that the obligations under paragraphs 6(a)(ii) through 6(a)(v) (above) of this Agreement shall continue in effect after termination of Executive's employment, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary on Executive's part, and that Company is entitled to communicate Executive's obligations under this Agreement to any future employer or potential employer of Executive. Executive's obligations under paragraphs 6(a)(ii) through 6(a)(iv) also shall be binding upon Executive's heirs, executors, assigns, and administrators and shall inure to the benefit of Company, it subsidiaries, successors and assigns.

vii. Any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of California without regard to the conflict of laws provisions thereof. Executive further agree that if one or more provisions of this Agreement are held to be illegal or unenforceable under applicable California law, such illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force and effect and enforceable in accordance with its terms. This Agreement is fully assignable and transferable by Company, but any purported assignment or transfer by Executive is void. Executive also understands that any breach of this Agreement will cause irreparable harm to Company for which damages would not be a adequate remedy, and, therefore, Company will be entitled to injunctive relief with respect thereto in addition to any other remedies and without any requirement to post bond.

b. **EXECUTIVE HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS WHICH IT IMPOSES UPON EXECUTIVE WITHOUT RESERVATION. NO PROMISES OR**

REPRESENTATIONS HAVE BEEN MADE TO EXECUTIVE TO INDUCE EXECUTIVE TO SIGN THIS AGREEMENT. EXECUTIVE SIGNS THIS AGREEMENT VOLUNTARILY AND FREELY, IN DUPLICATE, WITH THE UNDERSTANDING THAT THE COMPANY WILL RETAIN ONE COUNTERPART AND THE OTHER COUNTERPART WILL BE RETAINED BY EXECUTIVE.

7. **NO BREACH OF PRIOR AGREEMENT.** Executive represents that his performance of the terms of this agreement and his duties as an employee of Company will not result in a breach or violation of any noncompetition, confidentiality or similar agreement with any former employer or other party.

8. **GENERAL PROVISIONS.**

a. Notices. All notices, requests, demands, statements, reports and other communications provided for by this agreement shall be in writing and shall be sent by certified mail, return receipt requested, postage prepaid or sent by nationally recognized overnight delivery service. A notice shall be deemed to be given in each case on the business day following the date of its mailing. All notices shall be addressed and mailed or delivered to the following addresses:

IF to COMPANY:

Axonics Modulation Technologies, Inc.
16411 Scientific Way, Suite 200
Irvine, CA 92618
Attention: Chief Executive Officer

IF to EXECUTIVE:

Raymond W. Cohen
62 Triana
Irvine, CA 92618

Each party may change his/its address for notices by giving notice in accordance here with.

b. Entire Agreement. Other than the prior stock option grants, this Agreement and the Stock Option Agreement contain the entire agreement between the parties with respect to the

employment of Executive by Company and supersede all prior and contemporaneous agreements, representations and understandings of the parties with respect to the subject matter contained herein and therein, including any Agreement between Executive and Company or any of its affiliates and subsidiaries.

c. Modification and Waiver. No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by executive and a duly authorized representative of Company. A waiver of any term or condition of this agreement shall not be construed as a general waiver by Company.

d. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of California, excluding its conflicts-of-laws or choice-of-law provisions.

e. Binding Effect. Is hereby agreed that Executive's rights and obligations under this Agreement are personal and not assignable. This agreement shall be binding upon and inure to the benefit of, the heirs, personal representatives, successors and assigns of the parties; subject, however, to the restrictions on assignment contained herein.

f. Arbitration/Dispute Resolution. Company and Executive express expressly agree that, except for disputes arising out of alleged violations related to proprietary inventions and confidential information, all disputes arising out of this Agreement shall be resolved by arbitration in accordance with the following provisions. Either party must demand in writing such arbitration within one hundred and twenty (120) days after the controversy arises by sending a notice to arbitrate to both the other party and to the American Arbitration Association ("AAA"). The controversy shall then be arbitrated, pursuant to the rules promulgated by the AAA (the "Rules"), in Orange County, California. The

parties will select by mutual agreement the arbitrator or arbitrators to herein resolve the controversy; provided, however, that, the parties cannot mutually agree as to the arbitrator, then the arbitrator shall be selected by the AAA in accordance with the Rules. The arbitrator's decision shall be final and binding on the parties and shall bar any suit, action or proceeding instituted in any federal, state or local courts for administrative tribunal. Notwithstanding the preceding sentence, the arbitrator's judgment may be entered in any court of competent jurisdiction. Disputes arising under the sections for compensation and termination upon compensation may be litigated and injunctive relief sought in any court having jurisdiction over the subject matter of such dispute.

g. Survival. The provisions of the sections related to Compensation Upon Termination, Proprietary Inventions and Confidential Information and the General Provisions shall survive any termination of this agreement.

In witness whereof, parties have executed this agreement as of the date first above written.

AXONICS MODULATION TECHNOLOGIES, INC.

By: /s/ Ralph Wisnieski
Ralph Wisnieski
Chairman, Board of Directors

EXECUTIVE

By: /s/ Raymond W. Cohen
Raymond W. Cohen
Chief Executive Officer

EXECUTIVE EMPLOYMENT AGREEMENT

This executive employment agreement (this "Agreement") is effective as of May 22, 2014 by and between Axonics Modulation Technologies, Inc., a Delaware Corporation ("Company"), and Dan L. Dearen ("Executive").

For the purposes of this Agreement, and as defined by the Company's 2014 Stock Option Plan (the "Plan"), a "Change in Control" shall mean (i) the consummation of a merger or consolidation of the Company with or into another entity, (ii) the dissolution, liquidation or winding up of the Company or (iii) the sale of all or substantially all of the Company's assets. The foregoing notwithstanding, a merger or consolidation of the Company shall not constitute a "Change in Control" if immediately after such merger or consolidation a majority of the voting power of the capital stock of the continuing or surviving entity, or any direct or indirect parent corporation of such continuing or surviving entity, will be owned by the persons who were the Company's stockholders immediately prior to such merger or consolidation in substantially the same proportions as their ownership of the voting power of the Company's capital stock immediately prior to such merger or consolidation.

In consideration of the premises and the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge the parties agree as follows:

1. **EMPLOYMENT/TERM.** Company hereby employs Executive to perform those duties and responsibilities set forth below under Position and Duties and Executive hereby accepts such employment for a period commencing May 22, 2014, ("Effective Date") and ending on July 1, 2019, (the "Term") unless earlier terminated pursuant to the section titled Termination.

2. **POSITION AND DUTIES.**

a. Description of Executive's Position and Duties and Responsibilities. The Executive shall be Chief Operating and Financial Officer. Executive shall report to Company's Chief Executive Officer and shall have the duties and responsibilities typical for such position and such other duties and responsibilities as may be reasonably assigned or modified by the Chief Executive Officer.

b. Performance of Duties. Executive agrees to be bound by all of Company's policies and procedures relating to the conduct of its employees now or hereafter in effect.

3. **COMPENSATION AND BENEFITS.**

a. Base Salary. Executive's base salary ("Base Salary") shall be three hundred thousand dollars ($300,000) per year payable in equal amounts twice monthly. The Company Board of Directors will review executives Base Salary on an annual basis, however, Company makes no assurances that executives Base Salary will be increased during the term.

b. Benefits and Vacation. Executive shall be eligible to receive such medical coverage and other benefits as are available to the senior executives of Company. Executive shall be entitled to four (4) weeks paid vacation each year during the term in accordance with the normal policies of Company.

c. Incentive Compensation. Any incentive compensation, other than equity grants, such as the potential for bonus payments is at the sole discretion of the Board of Directors. Company currently has no bonus plan in place and makes no assurances that Executive will be part of any future plan.

d. Stock Option Grant. The Company Board of Directors has approved a resolution that Executive shall be granted stock options to acquire up to sixty six thousand one hundred sixty two (66,162) options to purchase common stock in the company in accordance with the terms and conditions of the Plan and Executive's Stock Option Agreement with Company. The Option may be exercised at any time after the Date of Grant. The Options vest twenty five percent (25%) on the Date of Grant and the remainder vests 1/36 per month thereafter starting on the Vesting Commencement Date. In addition, if the Company is subject to a Change in Control before or within ninety (90) days following termination of the Executive's service, then 100% of the Shares subject to the Options shall vest.

4. **TERMINATION**.

a. Death. Executive's employment hereunder shall terminate on the death of Executive.

b. Disability. Executive's employment hereunder may be terminated, at the option of Company, upon the Disability of Executive. For purposes of this agreement, Disability means the inability of Executive to perform his duties under this agreement due to Executive's physical or mental illness or impairment, even with reasonable accommodation, for more than twenty-six (26) substantially consecutive weeks in any twelve (12)-month period. For purposes of this section the termination date will be on the date after the substantially consecutive 26th week that Executive receives written notice from Company with respect to the Disability.

c. Termination for Cause. Notwithstanding any other provision of this Agreement, Company may, at any time, immediately terminate Executive's employment for Cause. For this purpose, Cause means (i) an act by Executive which constitutes

misappropriation, embezzlement or fraud, (ii) any other act that would materially and adversely impact the business or reputation of Company, (iii) conviction of, or pleading nolo contendere to, any felony or (iv) any other breach by Executive of any of the provisions of this Agreement, which continues for more than ten (10) calendar days without cure (to the extent such breach is curable) after written notice by Company to Executive specifying such breach and the actions needed to cure such breach (to the extent such breach is curable).

d. Termination Without Cause. Company may terminate Executive's employment at any time without Cause upon thirty (30) days' prior written notice to Executive.

5. **COMPENSATION UPON TERMINATION.** Executive shall be entitled to the following benefits upon termination of his or her employment prior to March 1, 2019:

a. **Death or Disability**. If the Executive's employment shall be terminated: (i) by reason of Executive's death, or (ii) by Company for Disability; Company shall: (a) within thirty (30) days following the date of such termination ("Termination Date") the Company will pay Executive all amounts due pursuant to the sections on Base Salary, Benefits (including premiums for the cost of continuing health care coverage and any matching related to the Company's 401(k) plan), and Incentive Compensation (including a pro-rated bonus, if any, for the year in which the termination occurs) hereof through the date of such termination, plus a lump sum amount equal to twelve (12) months of the Executive's Base Salary; it being understood and agreed that the payments under this paragraph 5(a) shall be conditioned upon Executive executing a waiver and release agreement in a form satisfactory to Company. If the Executive is unable to execute such waiver and release agreement due to death or Disability, then the waiver and release

agreement shall be executed by an authorized agent or representative of Executive and/or Executive's estate.

b. **For Cause or Without Good Reason**. If Executive's employment is terminated: (i) by Company for Cause, or (ii) by Executive for any reason other than for good reason (as defined below), Company shall, within thirty (30) days following the Termination Date, pay Executive all amounts due pursuant to the sections on Base Salary, Benefits, and Incentive Compensation hereof through the date of such termination and Company shall have no further obligation to Executive under this Agreement.

c. **Without Cause or for Good Reason**. In the event of termination without Cause (including a Change in Control) or Executive's resignation for good reason (such as a material change in Executive's duties or responsibilities, a material reduction in salary, a material adverse relocation of primary work location, the failure of the Company to renew the term of the employment agreement, the material failure of the Company or any successor entity to perform its obligations under Executive's employment agreement or Executive's resignation for any reason during the twelve (12) month period after a change in control), the Company will pay Executive all amounts due pursuant to the sections on Base Salary, Benefits (including premiums for the cost of continuing health care coverage and any matching related to the Company's 401(k) plan), and Incentive Compensation (including a pro-rated bonus, if any, for the year in which the termination occurs) hereof through the date of such termination, plus a lump sum amount equal to twelve (12) months of the Executive's Base Salary.

d. The stock option grants issued under this Agreement and under prior stock option grants are governed by the terms and conditions of the Plan. Nothing in this Section or any

waiver and release agreement contemplated hereunder shall affect any rights of Executive with respect to Executive's stock options.

6. **PROPRIETARY INVENTIONS AND CONFIDENTIAL INFORMATION.**

a. The following confirms and memorializes an agreement that Company and Executive have had since the commencement of employment (which term, for purposes of this agreement, shall be deemed to include any relationship of service to the Company that may have existed prior to actually becoming an employee) with the Company in any capacity and that is and has been a material part of the consideration for employment by Company:

i. Executive has not entered into, and agrees he/she will not enter into, any agreement either written or oral in conflict with this Agreement or Executive's employment with Company. Executive will not violate any agreement with or rights of any third party or, except as expressly authorized by Company in writing hereafter, use or disclose Executive's own or any third party's confidential information or intellectual property when acting within the scope of my employment or otherwise on behalf of Company.

ii. Company shall own all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, *sui generis* database rights and all other intellectual property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by me during the term of Executive's employment with Company to and only to the fullest extent allowed by California Labor Code Section 2870 (collectively "Inventions") and

Executive will promptly disclose all Inventions to Company. Without disclosing any third party confidential information, Executive will also disclose anything Executive believes is excluded by Section 2870 so that the Company can make an independent assessment. Executive hereby make all assignments necessary to accomplish the foregoing. Executive shall further assist Company, at Company's expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights specified to be so owned or assigned. Executive hereby irrevocably designates and appoints Company as agent and attorney-in-fact, coupled with an interest and with full power of substitution, to act for and in Executive's behalf to execute and file any document and to do all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by Executive. If anything created by Executive prior to his or her employment relates to Company's actual or proposed business, Executive has listed it on Appendix B in a manner that does not violate any third party rights or disclose any confidential information. Without limiting Section 1 or Company's other rights and remedies, if, when acting within the scope of Executive's employment or otherwise on behalf of Company, Executive uses or (except solely on Appendix A pursuant to this Section) discloses his or her own or any third party's confidential information or intellectual property (or if any Invention cannot be fully made, used, reproduced, distributed and otherwise exploited without using or violating the foregoing), Company will have and Executive hereby grants Company a perpetual, irrevocable, worldwide royalty-free, non-exclusive, sub licensable right and license to exploit and exercise all such confidential information and intellectual property rights.

iii. To the extent allowed by law, paragraph 6(a)(ii) above includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as “moral rights,” “artist’s rights,” “droit moral,” or the like (collectively “Moral Rights”). To the extent Executive retains any such Moral Rights under applicable law, Executive hereby ratifies and consents to any action that may be taken with respect to such Moral Rights by or authorized by Company and agree not to assert any Moral Rights with respect thereto. Executive will confirm any such ratifications, consents and agreements from time to time as requested by Company.

iv. Executive agrees that all Inventions and all other business, technical and financial information (including, without limitation, the identity of and information relating to customers or employees) that he or she develops, learns or obtain during the term of employment that relate to Company or the business or demonstrably anticipated business of Company or that are received by or for Company in confidence, constitute “Proprietary Information.” Executive will hold in confidence and not disclose or, except within the scope of employment, use any Proprietary Information. However, Executive shall not be obligated under this paragraph with respect to information they can document is or becomes readily publicly available without restriction through no fault of Executive. Upon termination of employment, Executive will promptly return to Company all items containing or embodying Proprietary Information (including all copies), except that Executive may keep my personal copies of: (A) Executive’s compensation records and performance reviews, (B) materials distributed to shareholders generally, and (C) this Agreement. Executive also recognizes and agrees that Executive has no expectation of privacy with respect to Company’s telecommunications, networking or information

processing systems (including, without limitation, stored computer files, email messages and voice messages) and that Executive's activity and any files or messages on or using any of those systems may be monitored at any time without notice.

v. Executive agrees that during the term of employment with Company (whether or not during business hours), Executive will not engage in any activity that is in any way competitive with the business or demonstrably anticipated business of Company, and Executive will not assist any other person or organization in competing or in preparing to compete with any business or demonstrably anticipated business of Company.

vi. Executive agrees that the obligations under paragraphs 6(a)(ii) through 6(a)(iv) (above) of this Agreement shall continue in effect after termination of Executive's employment, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary on Executive's part, and that Company is entitled to communicate Executive's obligations under this Agreement to any future employer or potential employer of Executive. Executive's obligations under paragraphs 6(a)(ii) through 6(a)(iv) also shall be binding upon Executive's heirs, executors, assigns, and administrators and shall inure to the benefit of Company, it subsidiaries, successors and assigns.

vii. Any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of California without regard to the conflict of laws provisions thereof. Executive further agree that if one or more provisions of this Agreement are held to be illegal or unenforceable under applicable California law, such illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force

and effect and enforceable in accordance with its terms. This Agreement is fully assignable and transferable by Company, but any purported assignment or transfer by Executive is void. Executive also understands that any breach of this Agreement will cause irreparable harm to Company for which damages would not be a adequate remedy, and, therefore, Company will be entitled to injunctive relief with respect thereto in addition to any other remedies and without any requirement to post bond.

b. **EXECUTIVE HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS WHICH IT IMPOSES UPON EXECUTIVE WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO EXECUTIVE TO INDUCE EXECUTIVE TO SIGN THIS AGREEMENT. EXECUTIVE SIGNS THIS AGREEMENT VOLUNTARILY AND FREELY, IN DUPLICATE, WITH THE UNDERSTANDING THAT THE COMPANY WILL RETAIN ONE COUNTERPART AND THE OTHER COUNTERPART WILL BE RETAINED BY EXECUTIVE.**

7. **NO BREACH OF PRIOR AGREEMENT**. Executive represents that his performance of the terms of this agreement and his duties as an employee of Company will not result in a breach or violation of any noncompetition, confidentiality or similar agreement with any former employer or other party.

8. **GENERAL PROVISIONS**.

a. Notices. All notices, requests, demands, statements, reports and other communications provided for by this agreement shall be in writing and shall be sent by certified mail, return receipt requested, postage prepaid or sent by nationally recognized overnight delivery service. A notice shall be deemed to be given in each case on the business day following the date of its mailing. All notices shall be addressed and mailed or delivered to the following addresses:

IF to COMPANY:

Axonics Modulation Technologies, Inc.
16411 Scientific Way, Suite 200
Irvine, CA 926518
Attention: Chief Executive Officer

IF to EXECUTIVE:

Dan L. Dearen
1562 Maritime Drive
Carlsbad, CA 92011

Each party may change his/its address for notices by giving notice in accordance here with.

b. Entire Agreement. Other than the prior stock option grants, this Agreement and the Stock Option Agreement contain the entire agreement between the parties with respect to the employment of Executive by Company and supersede all prior and contemporaneous agreements, representations and understandings of the parties with respect to the subject matter contained herein and therein, including any Agreement between Executive and Company or any of its affiliates and subsidiaries.

c. Modification and Waiver. No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by executive and a duly authorized representative of Company. A waiver of any term or condition of this agreement shall not be construed as a general waiver by Company.

d. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of California, excluding its conflicts-of-laws or choice-of-law provisions.

e. Binding Effect. Is hereby agreed that Executive's rights and obligations under this Agreement are personal and not assignable. This agreement shall be binding upon and inure to the benefit of, the heirs, personal representatives, successors and assigns of the parties; subject, however, to the restrictions on assignment contained herein.

f. Arbitration/Dispute Resolution. Company and Executive express expressly agree that, except for disputes arising out of alleged violations related to proprietary inventions and confidential information, all disputes arising out of this Agreement shall be resolved by arbitration in accordance with the following provisions. Either party must demand in

writing such arbitration within one hundred and twenty (120) days after the controversy arises by sending a notice to arbitrate to both the other party and to the American Arbitration Association ("AAA"). The controversy shall then be arbitrated, pursuant to the rules promulgated by the AAA (the "Rules"), in the state of California. The parties will select by mutual agreement the arbitrator or arbitrators to herein resolve the controversy; provided, however, that, the parties cannot mutually agree as to the arbitrator, then the arbitrator shall be selected by the AAA in accordance with the Rules. The arbitrator's decision shall be final and binding on the parties and shall bar any suit, action or proceeding instituted in any federal, state or local courts for administrative tribunal. Notwithstanding the preceding sentence, the arbitrator's judgment may be entered in any court of competent jurisdiction. Disputes arising under the sections for compensation and termination upon compensation may be litigated and injunctive relief sought in any court having jurisdiction over the subject matter of such dispute.

g. Survival. The provisions of the sections related to Compensation Upon Termination, Proprietary Inventions and Confidential Information and the General Provisions shall survive any termination of this agreement.

In witness whereof, parties have executed this agreement as of the date first above written.

AXONICS MODULATION TECHNOLOGIES, INC.

By: /s/ Raymond W. Cohen
Raymond W. Cohen
Chief Executive Officer

EXECUTIVE

By: /s/ Dan L. Dearen
Dan L. Dearen
Chief Operating and Financial Officer

EXECUTIVE EMPLOYMENT AGREEMENT

This executive employment agreement (this "Agreement") is effective as of October 2, 2017 by and between Axonics Modulation Technologies, Inc., A Delaware Corporation ("Company"), and Karen Noblett, M.D. ("Executive").

In consideration of the premises and the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the parties agree as follows:

1. **EMPLOYMENT/TERM**. Company hereby employs Executive to perform those duties and responsibilities set forth below under Position and Duties and Executive hereby accepts such employment for a period commencing Oct 2, 2017, ("Effective Date") and ending on Oct 2, 2021, (the "Term") unless earlier terminated pursuant to the section titled Termination.

2. **POSITION AND DUTIES.**

a. Description of Executive's Position and Duties and Responsibilities. The Executive shall be the Chief Medical Officer. Executive shall report to Axonics Modulation Technologies' Chief Executive Officer and shall have the duties and responsibilities typical for such position and such other duties and responsibilities as may be reasonably assigned or modified by the Chief Executive Officer.

b. Performance of Duties. Executive agrees to be bound by all of Company's policies and procedures relating to the conduct of its employees now or hereafter in effect.

3. **COMPENSATION AND BENEFITS.**

a. Base Salary. Executive's base salary ("Base Salary") shall be three hundred and fifty thousand dollars ($350,000) per year payable in equal amounts twice monthly. The Company makes no assurances that executives Base Salary will be increased at any time during the term.

b. Benefits and Vacation. Executive shall be eligible to receive such medical coverage and other benefits as are available to the senior executives of Company. Executive shall be entitled to four (4) weeks paid vacation each year (in addition to certain other company authorized paid days off applicable to all employees—approx. eight (8) such days) during the term in accordance with the normal policies of Company.

c. Educational Support. The Company shall sponsor the cost for the Executive to attend UCI on a part-time basis for the purposes of gaining an executive MBA. It is acknowledged that the total cost of said program is approximately one hundred and ten thousand dollars ($110,000).

d. Incentive Compensation. Any incentive compensation is at the sole discretion of the Board of Directors. The Company currently has no bonus plans currently in place and makes no assurances of any future plan.

e. Stock Option Grant. The Company's Board of Directors approved that Executive shall be granted additional stock options to acquire twelve thousand four hundred and sixty-nine (12,469) options to purchase common stock in the company in accordance with the terms and conditions of the Plan and Executive's Stock Option Agreement with Company. The Option may be exercised at any time after the Date of Grant. The Options vest twenty five percent (25%) on the Date of Grant and the remainder vests 1/36 per month thereafter starting on the Vesting Commencement Date. In addition, if the Company is subject to a Change in Control before or within ninety (90) days following termination of the Executive's service, then one hundred percent (100%) of the Shares subject to the Options shall immediately vest.

4. **TERMINATION.**

a. Death. Executive's employment hereunder shall terminate on the death of Executive.

b. Disability. Executive's employment hereunder may be terminated, at the option of Company, upon the Disability of Executive. For purposes of this agreement, Disability means the inability of Executive to perform his duties under this agreement due to Executive's physical or mental illness or impairment, even with reasonable accommodation, for more than twenty-six (26) substantially consecutive weeks in any twelve (12)-month period. For purposes of this section the termination date will be on the date after the substantially consecutive 26th week that Executive receives written notice from Company with respect to the Disability.

c. Termination for Cause. Notwithstanding any other provision of this Agreement, Company may, at any time, immediately terminate Executive's employment for Cause. For this purpose, Cause means (i) an act by Executive which constitutes misappropriation, embezzlement or fraud, (ii) any other act that would materially and adversely impact the business or reputation of Company, (iii) conviction of, or pleading nolo contendere to, any felony or (iv) any other breach by Executive of any of the provisions of this Agreement, which continues for more than ten (10) calendar days without cure (to the extent such breach is curable) after written notice by Company to Executive specifying such breach and the actions needed to cure such breach (to the extent such breach is curable).

d. Termination Without Cause. Company may terminate Executive's employment at any time without Cause upon thirty (30) days' prior written notice to Executive.

5. **COMPENSATION UPON TERMINATION**. Executive shall be entitled to the following benefits upon termination of her employment: (i) by reason of Executive's death, or (ii) by Company for Disability; Company shall within thirty (30) days following the date of such termination ("Termination Date") the Company will pay Executive all amounts due pursuant to the sections on Base Salary, Benefits (including premiums for the cost of continuing health care coverage and any matching related to the Company's 401(k) plan) hereof through the date of such termination, plus a

lump sum amount equal to six (6) months of the Executive's Base Salary; it being understood and agreed that the payments under this paragraph 5(a) shall be conditioned upon Executive executing a waiver and release agreement in a form satisfactory to Company. If the Executive is unable to execute such waiver and release agreement due to death or Disability, then the waiver and release agreement shall be executed by an authorized agent or representative of Executive and/or Executive's estate.

a. **For Cause or Without Good Reason**. If Executive's employment is terminated: (i) by Company for Cause, or (ii) by Executive for any reason other than for good reason (as defined below), Company shall, within thirty (30) days following the Termination Date, pay Executive all amounts due pursuant to the sections on Base Salary, Benefits, and Incentive Compensation hereof through the date of such termination and Company shall have no further obligation to Executive under this Agreement.

b. **Without Cause or for Good Reason**. In the event of termination without Cause (including a Change in Control) or Executive's resignation for good reason (such as a material change in Executive's duties or responsibilities, a material reduction in salary, a material adverse relocation of primary work location, the failure of the Company to renew the term of the employment agreement, the material failure of the Company or any successor entity to perform its obligations under Executive's employment agreement or Executive's resignation for any reason during the twelve (12) month period after a change in control), the Company will pay Executive all amounts due pursuant to the sections on Base Salary, Benefits (including premiums for the cost of continuing health care coverage and any matching related to the Company's 401(k) plan), and Incentive Compensation (including a pro-rated bonus, if any, for the year in which the termination occurs) hereof through the

date of such termination, plus a lump sum amount equal to six (6) months of the Executive's Base Salary.

c. The stock option grants issued under this Agreement and under prior stock option grants are governed by the terms and conditions of the Plan. Nothing in this Section or any waiver and release agreement contemplated hereunder shall affect any rights of Executive with respect to Executive's stock options.

d. For the purposes of this Agreement, and as defined by the Company's 2014 Stock Option Plan (the "Plan"), a "Change in Control" shall mean (i) the consummation of a merger or consolidation of the Company with or into another entity, (ii) the dissolution, liquidation or winding up of the Company or (iii) the sale of all or substantially all of the Company's assets. The foregoing notwithstanding, a merger or consolidation of the Company shall not constitute a "Change in Control" if immediately after such merger or consolidation a majority of the voting power of the capital stock of the continuing or surviving entity, or any direct or indirect parent corporation of such continuing or surviving entity, will be owned by the persons who were the Company's stockholders immediately prior to such merger or consolidation in substantially the same proportions as their ownership of the voting power of the Company's capital stock immediately prior to such merger or consolidation.

6. **PROPRIETARY INVENTIONS AND CONFIDENTIAL INFORMATION**.

a. The following confirms and memorializes an agreement that Company and Executive have had since the commencement of employment (which term, for purposes of this agreement, shall be deemed to include any relationship of service to the Company that may have existed prior to actually becoming an employee) with the Company in any capacity and that is and has been a material part of the consideration for employment by Company:

i. Executive has not entered into, and agrees he/she will not enter into, any agreement either written or oral in conflict with this Agreement or Executive's employment with Company. Executive will not violate any agreement with or rights of any third party or, except as expressly authorized by Company in writing hereafter, use or disclose Executive's own or any third party's confidential information or intellectual property when acting within the scope of my employment or otherwise on behalf of Company.

ii. Company shall own all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, sui generis database rights and all other intellectual property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by me during the term of Executive's employment with Company to and only to the fullest extent allowed by California Labor Code Section 2870 (collectively "Inventions") and Executive will promptly disclose all Inventions to Company. Without disclosing any third party confidential information, Executive will also disclose anything Executive believes is excluded by Section 2870 so that the Company can make an independent assessment. Executive hereby make all assignments necessary to accomplish the foregoing. Executive shall further assist Company, at Company's expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights specified to be so owned or assigned. Executive hereby irrevocably designates and appoints Company as agent and attorney-in-fact, coupled with an interest and with full power of substitution, to act for and in Executive's behalf to execute and file any

document and to do all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by Executive. If anything created by Executive prior to his or her employment relates to Company's actual or proposed business, Executive has listed it on Appendix B in a manner that does not violate any third party rights or disclose any confidential information. Without limiting Section 1 or Company's other rights and remedies, if, when acting within the scope of Executive's employment or otherwise on behalf of Company, Executive uses or (except solely on Appendix A pursuant to this Section) discloses his or her own or any third party's confidential information or intellectual property (or if any Invention cannot be fully made, used, reproduced, distributed and otherwise exploited without using or violating the foregoing), Company will have and Executive hereby grants Company a perpetual, irrevocable, worldwide royalty-free, non-exclusive, sub licensable right and license to exploit and exercise all such confidential information and intellectual property rights.

iii. To the extent allowed by law, paragraph 6(a)(ii) above includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as "moral rights," "artist's rights," "droit moral," or the like (collectively "Moral Rights"). To the extent Executive retains any such Moral Rights under applicable law, Executive hereby ratifies and consents to any action that may be taken with respect to such Moral Rights by or authorized by Company and agree not to assert any Moral Rights with respect thereto. Executive will confirm any such ratifications, consents and agreements from time to time as requested by Company.

iv. Executive agrees that all Inventions and all other business, technical and financial information (including, without limitation, the identity of and information relating to customers or employees) that he or she develops, learns or obtain during the term of employment that relate to Company or the business or demonstrably anticipated business of Company or that are received by or for Company in confidence, constitute “Proprietary Information.” Executive will hold in confidence and not disclose or, except within the scope of employment, use any Proprietary Information. However, Executive shall not be obligated under this paragraph with respect to information they can document is or becomes readily publicly available without restriction through no fault of Executive. Upon termination of employment, Executive will promptly return to Company all items containing or embodying Proprietary Information (including all copies), except that Executive may keep my personal copies of: (A) Executive’s compensation records and performance reviews, (B) materials distributed to shareholders generally, and (C) this Agreement. Executive also recognizes and agrees that Executive has no expectation of privacy with respect to Company’s telecommunications, networking or information processing systems (including, without limitation, stored computer files, email messages and voice messages) and that Executive’s activity and any files or messages on or using any of those systems may be monitored at any time without notice.

v. Executive agrees that during the term of employment with Company (whether or not during business hours), Executive will not engage in any activity that is in any way competitive with the business or demonstrably anticipated business of Company, and Executive will not assist any other person or organization in competing or in preparing to compete with any business or demonstrably anticipated business of Company.

vi. Executive agrees that the obligations under paragraphs 6(a)(ii) through 6(a)(iv) (above) of this Agreement shall continue in effect after termination of Executive's employment, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary on Executive's part, and that Company is entitled to communicate Executive's obligations under this Agreement to any future employer or potential employer of Executive. Executive's obligations under paragraphs 6(a)(ii) through 6(a)(iv) also shall be binding upon Executive's heirs, executors, assigns, and administrators and shall inure to the benefit of Company, it subsidiaries, successors and assigns.

vii. Any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of California without regard to the conflict of laws provisions thereof. Executive further agree that if one or more provisions of this Agreement are held to be illegal or unenforceable under applicable California law, such illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force and effect and enforceable in accordance with its terms. This Agreement is fully assignable and transferable by Company, but any purported assignment or transfer by Executive is void. Executive also understands that any breach of this Agreement will cause irreparable harm to Company for which damages would not be a adequate remedy, and, therefore, Company will be entitled to injunctive relief with respect thereto in addition to any other remedies and without any requirement to post bond.

b. **EXECUTIVE HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS WHICH IT IMPOSES UPON EXECUTIVE WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO**

EXECUTIVE TO INDUCE EXECUTIVE TO SIGN THIS AGREEMENT. EXECUTIVE SIGNS THIS AGREEMENT VOLUNTARILY AND FREELY, IN DUPLICATE, WITH THE UNDERSTANDING THAT THE COMPANY WILL RETAIN ONE COUNTERPART AND THE OTHER COUNTERPART WILL BE RETAINED BY EXECUTIVE.

7. **NO BREACH OF PRIOR AGREEMENT.**

Executive represents that his performance of the terms of this agreement and his duties as an employee of Company will not result in a breach or violation of any noncompetition, confidentiality or similar agreement with any former employer or other party.

8. **GENERAL PROVISIONS.**

a. Notices. All notices, requests, demands, statements, reports and other communications provided for by this agreement shall be in writing and shall be sent by certified mail, return receipt requested, postage prepaid or sent by nationally recognized overnight delivery service. A notice shall be deemed to be given in each case on the business day following the date of its mailing. All notices shall be addressed and mailed or delivered to the following addresses

IF to COMPANY:

Axonics Modulation Technologies, Inc.
7575 Irvine Center Drive, Suite 200
Irvine, CA 926518
Attention: Chief Executive Officer

IF to EXECUTIVE:

Karen Noblett, M.D.
7065 E. Magdalena Dr.
Orange, CA 92867

Each party may change his/its address for notices by giving notice in accordance here with.

b. Entire Agreement. Other than the prior stock option grants, this Agreement and the Stock Option Agreement contain the entire agreement between the parties with respect to the employment of Executive by Company and supersede all prior and contemporaneous agreements, representations and understandings of the parties with respect to the subject matter contained herein and therein, including any Agreement between Executive and Company or any of its affiliates and subsidiaries.

c. Modification and Waiver. No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by executive and a duly authorized representative of Company. A waiver of any term or condition of this agreement shall not be construed as a general waiver by Company.

d. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of California, excluding its conflicts-of-laws or choice-of-law provisions.

e. Binding Effect. Is hereby agreed that Executive's rights and obligations under this Agreement are personal and not assignable. This agreement shall be binding upon and inure to the benefit of, the heirs, personal representatives, successors and assigns of the parties; subject, however, to the restrictions on assignment contained herein.

f. Arbitration/Dispute Resolution. Company and Executive express expressly agree that, except for disputes arising out of alleged violations related to proprietary inventions and confidential information, all disputes arising out of this Agreement shall be resolved by arbitration in accordance with the following provisions. Either party must demand in writing such arbitration within one hundred and twenty (120) days after the controversy arises by sending a notice to arbitrate to both the other party and to the American Arbitration Association ("AAA"). The controversy shall then be arbitrated, pursuant to the rules promulgated by the AAA (the "Rules"), in the state of California. The parties will select by mutual agreement the arbitrator or arbitrators to herein resolve the controversy; provided, however, that, the parties cannot mutually agree as to the arbitrator, then the arbitrator shall be selected by the AAA in accordance with the Rules. The arbitrator's decision shall be final and binding on the parties and shall bar any suit, action or proceeding instituted in any federal, state or local courts for administrative tribunal. Notwithstanding the preceding sentence, the arbitrator's judgment may be entered in any court of competent jurisdiction. Disputes arising under the sections for compensation and termination upon

compensation may be litigated and injunctive relief sought in any court having jurisdiction over the subject matter of such dispute.

g. Survival. The provisions of the sections related to Compensation Upon Termination, Proprietary Inventions and Confidential Information and the General Provisions shall survive any termination of this agreement.

In witness whereof, parties have executed this agreement as of the date first above written.

AXONICS MODULATION TECHNOLOGIES, INC.

By: /s/ Raymond W. Cohen
Name: Raymond W. Cohen
Title: Chief Executive Officer

EXECUTIVE

By: /s/ Karen Noblett, M.D.
Name: Karen Noblett, M.D.

EXECUTIVE EMPLOYMENT AGREEMENT

This executive employment agreement (this "Agreement") is effective as of November 15, 2017 by and between Axonics Modulation Technologies, Inc., A Delaware Corporation ("Company"), and Alfred Ford, Jr. ("Executive").

In consideration of the premises and the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the parties agree as follows:

1. **EMPLOYMENT/TERM.**

Company hereby employs Executive to perform those duties and responsibilities set forth below under Position and Duties and Executive hereby accepts such employment for a period commencing Nov 15, 2017, ("Effective Date") and ending on Dec 31, 2021, (the "Term") unless earlier terminated pursuant to the section titled Termination.

2. **POSITION AND DUTIES.**

Description of Executive's Position and Duties and Responsibilities. The Executive shall be the Chief Commercial Officer. Executive shall report to Axonics Modulation Technologies' Chief Executive Officer and shall have the duties and responsibilities typical for such position and such other duties and responsibilities as may be reasonably assigned or modified by the Chief Executive Officer. Executive agrees to be bound by all of Company's policies and procedures relating to the conduct of its employees now or hereafter in effect.

3. **COMPENSATION AND BENEFITS.**

a. Base Salary. Executive's base salary ("Base Salary") shall be three hundred and fifty thousand dollars ($350,000) per year payable in equal amounts twice monthly. The Company makes no assurances that executives Base Salary will be increased at any time during the term.

b. Benefits and Vacation. Executive shall be eligible to receive such medical coverage and other benefits as are available to the senior executives of Company. Executive shall be entitled to four (4) weeks paid vacation each year (in addition to certain other company authorized paid days off

applicable to all employees - approx. eight (8) such days) during the term in accordance with the normal policies of Company.

c. Incentive Compensation, Commissions. Executive shall receive a commission on all Axonics products sold worldwide of two percentage (2%) of net sales until Dec 31, 2018. Commissions shall be paid either monthly with regular payroll or quarterly. The timing of said payment shall be at the Company's sole discretion. A commission plan for future periods shall be determined by the Chief Executive Officer and approved by the Board of Directors. Any additional incentive compensation is at the sole discretion of the Board of Directors. The Company currently has no bonus plans currently in place and makes no assurances of any future plan.

d. Stock Option Grant. The Company's Board of Directors has approved and the Executive shall be granted stock options to acquire forty-eight thousand, six hundred and fifty (48,650) options to purchase common stock in the company in accordance with the terms and conditions of the Plan and Executive's Stock Option Agreement with Company. The Option may be exercised at any time after the Date of Grant.

e. Vesting of Stock Options. The Options vest twenty five percent (25%) on the Date of Grant and the remainder vests 1/36 per month thereafter starting on the Vesting Commencement Date. In addition, if the Company is subject to a Change in Control then one hundred percent (100%) of the Shares subject to the Options shall immediately vest.

f. Additional Considerations regarding Stock Options. The stock option grants issued under this Agreement are governed by the terms and conditions of the Plan. Nothing in this Section or any waiver and release agreement contemplated hereunder shall affect any rights of Executive with respect to Executive's stock options. For the purposes of this Agreement, and as defined by the Company's 2014 Stock Option Plan (the "Plan"), a "Change in Control" shall mean (i) the consummation of a merger or consolidation of the Company with or into another entity, (ii) the dissolution, liquidation or winding up of the Company or (iii) the sale of all or substantially all of the Company's assets. The foregoing notwithstanding, a merger or consolidation of the Company shall not constitute a "Change in Control" if immediately after such merger or consolidation a majority of the voting power of the capital stock of the continuing or surviving entity, or any direct or indirect parent corporation of such continuing or surviving entity, will be owned by the persons who were

the Company's stockholders immediately prior to such merger or consolidation in substantially the same proportions as their ownership of the voting power of the Company's capital stock immediately prior to such merger or consolidation.

4. **TERMINATION.**

a. Death. Executive's employment hereunder shall terminate on the death of Executive.

b. Disability. Executive's employment hereunder may be terminated, at the option of Company, upon the Disability of Executive. For purposes of this agreement, Disability means the inability of Executive to perform his duties under this agreement due to Executive's physical or mental illness or impairment, even with reasonable accommodation, for more than twenty-six (26) substantially consecutive weeks in any twelve (12) month period. For purposes of this section the termination date will be on the date after the substantially consecutive 26th week that Executive receives written notice from Company with respect to the Disability.

c. Termination for Cause. Notwithstanding any other provision of this Agreement, Company may, at any time, immediately terminate Executive's employment for Cause. For this purpose, Cause means (i) an act by Executive which constitutes misappropriation, embezzlement or fraud, (ii) any other act that would materially and adversely impact the business or reputation of Company, (iii) conviction of, or pleading nolo contendere to, any felony or (iv) any other breach by Executive of any of the provisions of this Agreement, which continues for more than ten (10) calendar days without cure (to the extent such breach is curable) after written notice by Company to Executive specifying such breach and the actions needed to cure such breach (to the extent such breach is curable).

d. Termination Without Cause. Company may terminate Executive's employment at any time without Cause upon thirty (30) days' prior written notice to Executive.

5. **COMPENSATION UPON TERMINATION**. Executive shall be entitled to the following benefits upon termination of her employment: (i) by reason of Executive's death, or (ii) by Company for Disability; Company shall within thirty (30) days following the date of such termination ("Termination Date") the Company will pay Executive all amounts due pursuant to the sections on Base Salary, Benefits (including premiums for the cost of continuing health care coverage and any matching related to the Company's 401(k) plan) hereof through the date of such termination, plus a

lump sum amount equal to nine (9) months of the Executive's Base Salary; it being understood and agreed that the payments under this paragraph 5(a) shall be conditioned upon Executive executing a waiver and release agreement in a form satisfactory to Company. If the Executive is unable to execute such waiver and release agreement due to death or Disability, then the waiver and release agreement shall be executed by an authorized agent or representative of Executive and/or Executive's estate.

a. **For Cause or Without Good Reason**. If Executive's employment is terminated: (i) by Company for Cause, or (ii) by Executive for any reason other than for good reason (as defined below), Company shall, within thirty (30) days following the Termination Date, pay Executive all amounts due pursuant to the sections on Base Salary, Benefits, and Incentive Compensation hereof through the date of such termination and Company shall have no further obligation to Executive under this Agreement.

b. **Without Cause or for Good Reason**. In the event of termination without Cause (including a Change in Control) or Executive's resignation for good reason (such as a material change in Executive's duties or responsibilities, a material reduction in salary, a material adverse relocation of primary work location, the failure of the Company to renew the term of the employment agreement, the material failure of the Company or any successor entity to perform its obligations under Executive's employment agreement or Executive's resignation for any reason during the twelve (12) month period after a change in control), the Company will pay Executive all amounts due pursuant to the sections on Base Salary, Benefits (including premiums for the cost of continuing health care coverage and any matching related to the Company's 401(k) plan), and Incentive Compensation (including a pro-rated bonus, if any, for the year in which the termination occurs) hereof through the date of such termination, plus a lump sum amount equal to nine (9) months of the Executive's Base Salary.

6. **PROPRIETARY INVENTIONS AND CONFIDENTIAL INFORMATION.**

a. The following confirms and memorializes an agreement that Company and Executive have had since the commencement of employment (which term, for purposes of this agreement, shall be deemed to include any relationship of service to the Company that may have existed prior to actually becoming

an employee) with the Company in any capacity and that is and has been a material part of the consideration for employment by Company:

i. Executive has not entered into, and agrees he/she will not enter into, any agreement either written or oral in conflict with this Agreement or Executive's employment with Company. Executive will not violate any agreement with or rights of any third party or, except as expressly authorized by Company in writing hereafter, use or disclose Executive's own or any third party's confidential information or intellectual property when acting within the scope of my employment or otherwise on behalf of Company.

ii. Company shall own all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, sui generis database rights and all other intellectual property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by me during the term of Executive's employment with Company to and only to the fullest extent allowed by California Labor Code Section 2870 (collectively "Inventions") and Executive will promptly disclose all Inventions to Company. Without disclosing any third party confidential information, Executive will also disclose anything Executive believes is excluded by Section 2870 so that the Company can make an independent assessment. Executive hereby make all assignments necessary to accomplish the foregoing. Executive shall further assist Company, at Company's expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights specified to be so owned or assigned. Executive hereby irrevocably designates and appoints Company as agent and attorney-in-fact, coupled with an interest and with full power of substitution, to act for and in Executive's behalf to execute and file any document and to do all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by Executive. If anything created by Executive prior to his or her employment relates to Company's actual or proposed business, Executive has listed it on Appendix B in a manner that does not violate any third party rights or disclose any confidential information. Without limiting Section 1 or Company's other rights and remedies, if, when acting within the scope of Executive's employment or otherwise on behalf of Company, Executive uses or (except solely on Appendix A pursuant to this Section) discloses his or her own or any third party's confidential information or intellectual

property (or if any Invention cannot be fully made, used, reproduced, distributed and otherwise exploited without using or violating the foregoing), Company will have and Executive hereby grants Company a perpetual, irrevocable, worldwide royalty-free, non-exclusive, sub licensable right and license to exploit and exercise all such confidential information and intellectual property rights.

iii. To the extent allowed by law, paragraph 6(a)(ii) above includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as “moral rights,” “artist’s rights,” “droit moral,” or the like (collectively “Moral Rights”). To the extent Executive retains any such Moral Rights under applicable law, Executive hereby ratifies and consents to any action that may be taken with respect to such Moral Rights by or authorized by Company and agree not to assert any Moral Rights with respect thereto. Executive will confirm any such ratifications, consents and agreements from time to time as requested by Company.

iv. Executive agrees that all Inventions and all other business, technical and financial information (including, without limitation, the identity of and information relating to customers or employees) that he or she develops, learns or obtain during the term of employment that relate to Company or the business or demonstrably anticipated business of Company or that are received by or for Company in confidence, constitute “Proprietary Information.” Executive will hold in confidence and not disclose or, except within the scope of employment, use any Proprietary Information. However, Executive shall not be obligated under this paragraph with respect to information they can document is or becomes readily publicly available without restriction through no fault of Executive. Upon termination of employment, Executive will promptly return to Company all items containing or embodying Proprietary Information (including all copies), except that Executive may keep my personal copies of: (A) Executive’s compensation records and performance reviews, (B) materials distributed to shareholders generally, and (C) this Agreement. Executive also recognizes and agrees that Executive has no expectation of privacy with respect to Company’s telecommunications, networking or information processing systems (including, without limitation, stored computer files, email messages and voice messages) and that Executive’s activity and any files or messages on or using any of those systems may be monitored at any time without notice.

v. Executive agrees that during the term of employment with Company (whether or not during business hours), Executive will not engage in any activity that is in any way competitive with

the business or demonstrably anticipated business of Company, and Executive will not assist any other person or organization in competing or in preparing to compete with any business or demonstrably anticipated business of Company.

vi. Executive agrees that the obligations under paragraphs 6(a)(ii) through 6(a)(iv) (above) of this Agreement shall continue in effect after termination of Executive's employment, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary on Executive's part, and that Company is entitled to communicate Executive's obligations under this Agreement to any future employer or potential employer of Executive. Executive's obligations under paragraphs 6(a)(ii) through 6(a)(iv) also shall be binding upon Executive's heirs, executors, assigns, and administrators and shall inure to the benefit of Company, it subsidiaries, successors and assigns.

vii. Any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of California without regard to the conflict of laws provisions thereof. Executive further agree that if one or more provisions of this Agreement are held to be illegal or unenforceable under applicable California law, such illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force and effect and enforceable in accordance with its terms. This Agreement is fully assignable and transferable by Company, but any purported assignment or transfer by Executive is void. Executive also understands that any breach of this Agreement will cause irreparable harm to Company for which damages would not be a adequate remedy, and, therefore, Company will be entitled to injunctive relief with respect thereto in addition to any other remedies and without any requirement to post bond.

b. EXECUTIVE HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS WHICH IT IMPOSES UPON EXECUTIVE WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO EXECUTIVE TO INDUCE EXECUTIVE TO SIGN THIS AGREEMENT. EXECUTIVE SIGNS THIS AGREEMENT VOLUNTARILY AND FREELY, IN DUPLICATE, WITH THE UNDERSTANDING THAT THE COMPANY WILL RETAIN ONE COUNTERPART AND THE OTHER COUNTERPART WILL BE RETAINED BY EXECUTIVE.

7. **NO BREACH OF PRIOR AGREEMENT.** Executive represents that his performance of the terms of this agreement and his duties as an employee of Company will not result in a breach or violation of any noncompetition, confidentiality or similar agreement with any former employer or other party.

8. **GENERAL PROVISIONS.**

a. Notices. All notices, requests, demands, statements, reports and other communications provided for by this agreement shall be in writing and shall be sent by certified mail, return receipt requested, postage prepaid or sent by nationally recognized overnight delivery service. A notice shall be deemed to be given in each case on the business day following the date of its mailing. All notices shall be addressed and mailed or delivered to the following addresses

IF to COMPANY:

Axonics Modulation Technologies, Inc.
7575 Irvine Center Drive, Suite 200
Irvine, CA 926518
Attention: Chief Executive Officer

IF to EXECUTIVE:

Alfred Ford Jr.
46 Broadway
Rockville Centre NY 11570

Each party may change his/its address for notices by giving notice in accordance here with.

b. Entire Agreement. Other than the prior stock option grants, this Agreement and the Stock Option Agreement contain the entire agreement between the parties with respect to the employment of Executive by Company and supersede all prior and contemporaneous agreements, representations and understandings of the parties with respect to the subject matter contained herein and therein, including any Agreement between Executive and Company or any of its affiliates and subsidiaries.

c. Modification and Waiver. No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by executive and a duly authorized representative of Company. A waiver of any term or condition of this agreement shall not be construed as a general waiver by Company.

d. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of California, excluding its conflicts-of-laws or choice-of-law provisions.

e. Binding Effect. Is hereby agreed that Executive's rights and obligations under this Agreement are personal and not assignable. This agreement shall be binding upon and inure to the benefit of, the heirs, personal representatives, successors and assigns of the parties; subject, however, to the restrictions on assignment contained herein.

f. Arbitration/Dispute Resolution. Company and Executive express expressly agree that, except for disputes arising out of alleged violations related to proprietary inventions and confidential information, all disputes arising out of this Agreement shall be resolved by arbitration in accordance with the following provisions. Either party must demand in writing such arbitration within one hundred and twenty (120) days after the controversy arises by sending a notice to arbitrate to both the other party and to the American Arbitration Association ("AAA"). The controversy shall then be arbitrated, pursuant to the rules promulgated by the AAA (the "Rules"), in the state of California. The parties will select by mutual agreement the arbitrator or arbitrators to herein resolve the controversy; provided, however, that, the parties cannot mutually agree as to the arbitrator, then the arbitrator shall be selected by the AAA in accordance with the Rules. The arbitrator's decision shall be final and binding on the parties and shall bar any suit, action or proceeding instituted in any federal, state or local courts for administrative tribunal. Notwithstanding the preceding sentence, the arbitrator's judgment may be entered in any court of competent jurisdiction. Disputes arising under the sections for compensation and termination upon compensation may be litigated and injunctive relief sought in any court having jurisdiction over the subject matter of such dispute.

g. Survival. The provisions of the sections related to Compensation Upon Termination, Proprietary Inventions and Confidential Information and the General Provisions shall survive any termination of this agreement.

* * *

In witness whereof, parties have executed this agreement as of the date first above written.

AXONICS MODULATION TECHNOLOGIES, INC.

By: /s/ Raymond W. Cohen
Name: Raymond W. Cohen
Title: Chief Executive Officer

EXECUTIVE

By: /s/ Alfred Ford Jr.
Name: Alfred Ford Jr.

EXECUTIVE EMPLOYMENT AGREEMENT

This executive employment agreement (this "Agreement") is effective as of May 22, 2014 by and between Axonics Modulation Technologies, Inc., a Delaware Corporation ("Company"), and Guangqiang Jiang ("Executive").

For the purposes of this Agreement, and as defined by the Company's 2014 Stock Option Plan (the "Plan"), a "Change in Control" shall mean (i) the consummation of a merger or consolidation of the Company with or into another entity, (ii) the dissolution, liquidation or winding up of the Company or (iii) the sale of all or substantially all of the Company's assets. The foregoing notwithstanding, a merger or consolidation of the Company shall not constitute a "Change in Control" if immediately after such merger or consolidation a majority of the voting power of the capital stock of the continuing or surviving entity, or any direct or indirect parent corporation of such continuing or surviving entity, will be owned by the persons who were the Company's stockholders immediately prior to such merger or consolidation in substantially the same proportions as their ownership of the voting power of the Company's capital stock immediately prior to such merger or consolidation.

In consideration of the premises and the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the parties agree as follows:

1. **EMPLOYMENT/TERM.** Company hereby employs Executive to perform those duties and responsibilities set forth below under Position and Duties and Executive hereby accepts such employment for a period commencing May 22, 2014, ("Effective Date") and ending on July 1, 2019, (the "Term") unless earlier terminated pursuant to the section titled Termination.

2. **POSITION AND DUTIES.**

    a. Description of Executive's Position and Duties and Responsibilities. The Executive shall be the Chief Technology Officer. Executive shall report to Company's Chief Executive

Officer and shall have the duties and responsibilities typical for such position and such other duties and responsibilities as may be reasonably assigned or modified by the Chief Executive Officer.

b. Performance of Duties. Executive agrees to be bound by all of Company's policies and procedures relating to the conduct of its employees now or hereafter in effect.

3. COMPENSATION AND BENEFITS.

a. Base Salary. Executive's base salary ("Base Salary") shall be two hundred fifty thousand dollars ($250,000) per year payable in equal amounts twice monthly. The Company Board of Directors will review executives Base Salary on an annual basis, however, Company makes no assurances that executives Base Salary will be increased during the term.

b. Benefits and Vacation. Executive shall be eligible to receive such medical coverage and other benefits as are available to the senior executives of Company. Executive shall be entitled to four (4) weeks paid vacation each year during the term in accordance with the normal policies of Company.

c. Incentive Compensation. Any incentive compensation, other than equity grants, such as the potential for bonus payments is at the sole discretion of the Board of Directors. Company currently has no bonus plan in place and makes no assurances that Executive will be part of any future plan.

d. Stock Option Grant. The Company Board of Directors has approved a resolution that Executive shall be granted stock options to acquire up to thirty nine thousand six hundred thirty three (39,633) options to purchase common stock in the company in accordance with the terms and conditions of the Plan and Executive's Stock Option Agreement with Company. In addition, if the Company is subject to a Change in Control before or within

ninety (90) days following termination of the Executive's service, then 100% of the Shares subject to the Options shall vest.

4. TERMINATION.

a. Death. Executive's employment hereunder shall terminate on the death of Executive.

b. Disability. Executive's employment hereunder may be terminated, at the option of Company, upon the Disability of Executive. For purposes of this agreement, Disability means the inability of Executive to perform his duties under this agreement due to Executive's physical or mental illness or impairment, even with reasonable accommodation, for more than twenty-six (26) substantially consecutive weeks in any twelve (12)-month period. For purposes of this section the termination date will be on the date after the substantially consecutive 26th week that Executive receives written notice from Company with respect to the Disability.

c. Termination for Cause. Notwithstanding any other provision of this Agreement, Company may, at any time, immediately terminate Executive's employment for Cause. For this purpose, Cause means (i) an act by Executive which constitutes misappropriation, embezzlement or fraud, (ii) any other act that would materially and adversely impact the business or reputation of Company, (iii) conviction of, or pleading nolo contendere to, any felony or (iv) any other breach by Executive of any of the provisions of this Agreement, which continues for more than ten (10) calendar days without cure (to the extent such breach is curable) after written notice by Company to Executive specifying such breach and the actions needed to cure such breach (to the extent such breach is curable).

d. Termination Without Cause. Company may terminate Executive's employment at any time without Cause upon thirty (30) days' prior written notice to Executive.

5. **COMPENSATION UPON TERMINATION**. Executive shall be entitled to the following benefits upon termination of his or her employment prior to July 1, 2019:

a. **Death or Disability.** If the Executive's employment shall be terminated: (i) by reason of Executive's death, or (ii) by Company for Disability; Company shall: (a) within thirty (30) days following the date of such termination ("Termination Date") the Company will pay Executive all amounts due pursuant to the sections on Base Salary, Benefits (including premiums for the cost of continuing health care coverage and any matching related to the Company's 401(k) plan), and Incentive Compensation (including a pro¬rated bonus, if any, for the year in which the termination occurs) hereof through the date of such termination, plus a lump sum amount equal to nine (9) months of the Executive's Base Salary; it being understood and agreed that the payments under this paragraph 5(a) shall be conditioned upon Executive executing a waiver and release agreement in a form satisfactory to Company. If the Executive is unable to execute such waiver and release agreement due to death or Disability, then the waiver and release agreement shall be executed by an authorized agent or representative of Executive and/or Executive's estate.

b. **For Cause or Without Good Reason**. If Executive's employment is terminated: (i) by Company for Cause, or (ii) by Executive for any reason other than for good reason (as defined below), Company shall, within thirty (30) days following the Termination Date, pay Executive all amounts due pursuant to the sections on Base Salary, Benefits, and Incentive Compensation hereof through the date of such termination and Company shall have no further obligation to Executive under this Agreement.

c. **Without Cause or for Good Reason**. In the event of termination without Cause (including a Change in Control) or Executive's resignation for good reason (such as a material change in Executive's duties or responsibilities, a material reduction in salary, a material adverse relocation of primary work location, the failure of the Company to renew the term of the employment agreement, the material failure of the Company or any successor entity to perform its obligations under Executive's employment agreement or Executive's resignation for any reason during the twelve (12) month period after a change in control), the Company will pay Executive all amounts due pursuant to the sections on Base Salary, Benefits (including premiums for the cost of continuing health care coverage and any matching related to the Company's 401(k) plan), and Incentive Compensation (including a pro-rated bonus, if any, for the year in which the termination occurs) hereof through the date of such termination, plus a lump sum amount equal to nine (9) months of the Executive's Base Salary.

d. The stock option grants issued under this Agreement and under prior stock option grants are governed by the terms and conditions of the Plan. Nothing in this Section or any waiver and release agreement contemplated hereunder shall affect any rights of Executive with respect to Executive's stock options.

6. PROPRIETARY INVENTIONS AND CONFIDENTIAL INFORMATION.

a. The following confirms and memorializes an agreement that Company and Executive have had since the commencement of employment (which term, for purposes of this agreement, shall be deemed to include any relationship of service to the Company that may have existed prior to actually becoming an employee) with the Company in any capacity and that is and has been a material part of the consideration for employment by Company:

i. Executive has not entered into, and agrees he/she will not enter into, any agreement either written or oral in conflict with this Agreement or Executive's employment with Company. Executive will not violate any agreement with or rights of any third party or, except as expressly authorized by Company in writing hereafter, use or disclose Executive's own or any third party's confidential information or intellectual property when acting within the scope of my employment or otherwise on behalf of Company.

ii. Company shall own all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, sui generis database rights and all other intellectual property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by me during the term of Executive's employment with Company to and only to the fullest extent allowed by California Labor Code Section 2870 (collectively "Inventions") and Executive will promptly disclose all Inventions to Company. Without disclosing any third party confidential information, Executive will also disclose anything Executive believes is excluded by Section 2870 so that the Company can make an independent assessment. Executive hereby make all assignments necessary to accomplish the foregoing. Executive shall further assist Company, at Company's expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights specified to be so owned or assigned. Executive hereby irrevocably designates and appoints Company as agent and attorney-in-fact, coupled with an interest and with full power of substitution, to act for and in Executive's behalf to execute and file any

document and to do all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by Executive. If anything created by Executive prior to his or her employment relates to Company's actual or proposed business, Executive has listed it on Appendix B in a manner that does not violate any third party rights or disclose any confidential information. Without limiting Section 1 or Company's other rights and remedies, if, when acting within the scope of Executive's employment or otherwise on behalf of Company, Executive uses or (except solely on Appendix A pursuant to this Section) discloses his or her own or any third party's confidential information or intellectual property (or if any Invention cannot be fully made, used, reproduced, distributed and otherwise exploited without using or violating the foregoing), Company will have and Executive hereby grants Company a perpetual, irrevocable, worldwide royalty-free, non-exclusive, sub licensable right and license to exploit and exercise all such confidential information and intellectual property rights.

iii. To the extent allowed by law, paragraph 6(a)(ii) above includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as "moral rights," "artist's rights," "droit moral," or the like (collectively "Moral Rights"). To the extent Executive retains any such Moral Rights under applicable law, Executive hereby ratifies and consents to any action that may be taken with respect to such Moral Rights by or authorized by Company and agree not to assert any Moral Rights with respect thereto. Executive will confirm any such ratifications, consents and agreements from time to time as requested by Company.

iv. Executive agrees that all Inventions and all other business, technical and financial information (including, without limitation, the identity of and information relating to customers or employees) that he or she develops, learns or obtain during the term of employment that relate to Company or the business or demonstrably anticipated business of Company or that are received by or for Company in confidence, constitute "Proprietary Information." Executive will hold in confidence and not disclose or, except within the scope of employment, use any Proprietary Information. However, Executive shall not be obligated under this paragraph with respect to information they can document is or becomes readily publicly available without restriction through no fault of Executive. Upon termination of employment, Executive will promptly return to Company all items containing or embodying Proprietary Information (including all copies), except that Executive may keep my personal copies of (A) Executive's compensation records and performance reviews, (B) materials distributed to shareholders generally, and (C) this Agreement. Executive also recognizes and agrees that Executive has no expectation of privacy with respect to Company's telecommunications, networking or information processing systems (including, without limitation, stored computer files, email messages processing systems (including, without limitation, stored computer files, email messages and voice messages) and that Executive's activity and any files or messages on or using any of those systems may be monitored at any time without notice.

v. Executive agrees that during the term of employment with Company (whether or not during business hours), Executive will not engage in any activity that is in any way competitive with the business or demonstrably anticipated business of Company, and

Executive will not assist any other person or organization in competing or in preparing to compete with any business or demonstrably anticipated business of Company.

vi. Executive agrees that the obligations under paragraphs 6(a)(ii) through 6(a)(iv) (above) of this Agreement shall continue in effect after termination of Executive's employment, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary on Executive's part, and that Company is entitled to communicate Executive's obligations under this Agreement to any future employer or potential employer of Executive. Executive's obligations under paragraphs 6(a)(ii) through 6(a)(iv) also shall be binding upon Executive's heirs, executors, assigns, and administrators and shall inure to the benefit of Company, it subsidiaries, successors and assigns.

vii. Any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of California without regard to the conflict of laws provisions thereof. Executive further agree that if one or more provisions of this Agreement are held to be illegal or unenforceable under applicable California law, such illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force assignable and transferable by Company, but any purported assignment or transfer by Executive is void. Executive also understands that any breach of this Agreement will cause irreparable harm to Company for which damages would not be a adequate remedy, and, therefore, Company will be entitled to injunctive relief with respect thereto in addition to any other remedies and without any requirement to post bond.

b. **EXECUTIVE HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS WHICH IT IMPOSES UPON EXECUTIVE WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO EXECUTIVE TO INDUCE EXECUTIVE TO SIGN THIS AGREEMENT. EXECUTIVE SIGNS THIS AGREEMENT VOLUNTARILY AND FREELY, IN DUPLICATE, WITH THE UNDERSTANDING THAT THE COMPANY WILL RETAIN ONE COUNTERPART AND THE OTHER COUNTERPART WILL BE RETAINED BY EXECUTIVE.**

7. **NO BREACH OF PRIOR AGREEMENT.** Executive represents that his performance of the terms of this agreement and his duties as an employee of Company will not result in a breach or violation of any noncompetition, confidentiality or similar agreement with any former employer or other party.

8. **GENERAL PROVISIONS.**

a. Notices. All notices, requests, demands, statements, reports and other communications provided for by this agreement shall be in writing and shall be sent by certified mail, return receipt requested, postage prepaid or sent by nationally recognized overnight delivery service. A notice shall be deemed to be given in each case on the business day following the date of its mailing. All notices shall be addressed and mailed or delivered to the following addresses:

IF to COMPANY:

Axonics Modulation Technologies, Inc.
16411 Scientific Way, Suite 200
Irvine, CA 926518
Attention: Chief Executive Officer

IF to EXECUTIVE:

Guangqiang Jiang
1 Galena Drive
Irvine, CA 92602

Each party may change his/its address for notices by giving notice in accordance here with.

b. Entire Agreement. Other than the prior stock option grants, this Agreement and the Stock Option Agreement contain the entire agreement between the parties with respect to the employment of Executive by Company and supersede all prior and contemporaneous agreements, representations and understandings of the parties with respect to the subject matter contained herein and therein, including any Agreement between Executive and Company or any of its affiliates and subsidiaries.

c. Modification and Waiver. No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by executive and a duly authorized representative of Company. A waiver of any term or condition of this agreement shall not be construed as a general waiver by Company.

d. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of California, excluding its conflicts-of-laws or choice-of-law provisions.

e. Binding Effect. Is hereby agreed that Executive's rights and obligations under this Agreement are personal and not assignable. This agreement shall be binding upon and inure to the benefit of, the heirs, personal representatives, successors and assigns of the parties; subject, however, to the restrictions on assignment contained herein.

f. Arbitration/Dispute Resolution. Company and Executive express expressly agree that, except for disputes arising out of alleged violations related to proprietary inventions and confidential information, all disputes arising out of this Agreement shall be resolved by arbitration in accordance with the following provisions. Either party must demand in writing such arbitration within one hundred and twenty (120) days after the controversy arises by sending a notice to arbitrate to both the other party and to the American

Arbitration Association ("AAA"). The controversy shall then be arbitrated, pursuant to the rules promulgated by the AAA (the "Rules"), in the state of California. The parties will select by mutual agreement the arbitrator or arbitrators to herein resolve the controversy; provided, however, that, the parties cannot mutually agree as to the arbitrator, then the arbitrator shall be selected by the AAA in accordance with the Rules. The arbitrator's decision shall be final and binding on the parties and shall bar any suit, action or proceeding instituted in any federal, state or local courts for administrative tribunal. Notwithstanding the preceding sentence, the arbitrator's judgment may be entered in any court of competent jurisdiction. Disputes arising under the sections for compensation and termination upon compensation may be litigated and injunctive relief sought in any court having jurisdiction over the subject matter of such dispute.

g. Survival. The provisions of the sections related to Compensation Upon Termination, Proprietary Inventions and Confidential Information and the General Provisions shall survive any termination of this agreement.

In witness whereof, parties have executed this agreement as of the date first above written.

AXONICS MODULATION TECHNOLOGIES, INC.

By: /s/ Raymond W. Cohen
Raymond W. Cohen
Chief Executive Officer

EXECUTIVE

By: /s/ Guangqiang Jiang
Guangqiang Jiang
Chief Technology Officer

Exhibit 10.22

EXECUTIVE EMPLOYMENT AGREEMENT

This executive employment agreement (this "Agreement") is effective as of May 22, 2014 by and between Axonics Modulation Technologies, Inc., a Delaware Corporation ("Company"), and Prabodh Mathur ("Executive").

For the purposes of this Agreement, and as defined by the Company's 2014 Stock Option Plan (the "Plan"), a "Change in Control" shall mean (i) the consummation of a merger or consolidation of the Company with or into another entity, (ii) the dissolution, liquidation or winding up of the Company or (iii) the sale of all or substantially all of the Company's assets. The foregoing notwithstanding, a merger or consolidation of the Company shall not constitute a "Change in Control" if immediately after such merger or consolidation a majority of the voting power of the capital stock of the continuing or surviving entity, or any direct or indirect parent corporation of such continuing or surviving entity, will be owned by the persons who were the Company's stockholders immediately prior to such merger or consolidation in substantially the same proportions as their ownership of the voting power of the Company's capital stock immediately prior to such merger or consolidation.

In consideration of the premises and the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the parties agree as follows:

1. **EMPLOYMENT/TERM.** Company hereby employs Executive to perform those duties and responsibilities set forth below under Position and Duties and Executive hereby accepts such employment for a period commencing May 22, 2014, ("Effective Date") and ending on July 1, 2019, (the "Term") unless earlier terminated pursuant to the section titled Termination.

2. **POSITION AND DUTIES.**

a. Description of Executive's Position and Duties and Responsibilities. The Executive shall be the Chief Product Development Officer. Executive shall report to Company's Chief Executive Officer and shall have the duties and responsibilities typical for such position and such other duties and responsibilities as may be reasonably assigned or modified by the Chief Executive Officer.

b. Performance of Duties. Executive agrees to be bound by all of Company's policies and procedures relating to the conduct of its employees now or hereafter in effect.

3. **COMPENSATION AND BENEFITS.**

a. Base Salary. Executive's base salary ("Base Salary") shall be two hundred seventy five thousand dollars ($275,000) per year payable in equal amounts twice monthly. The Company Board of Directors will review executives Base Salary on an annual basis, however, Company makes no assurances that executives Base Salary will be increased during the term.

b. Signing Bonus. Executive shall be paid a one-time cash bonus of thirty five thousand dollars ($35,000) for accepting employment with Company.

c. Benefits and Vacation. Executive shall be eligible to receive such medical coverage and other benefits as are available to the senior executives of Company. Executive shall be entitled to four (4) weeks paid vacation each year during the term in accordance with the normal policies and needs of the Company.

d. Incentive Compensation. Any incentive compensation, other than equity grants, such as the potential for bonus payments is at the sole discretion of the Board of Directors. Company currently has no bonus plan in place and makes no assurances of any future plan.

e. Stock Option Grant. The Company Board of Directors has approved a resolution that Executive shall be granted stock options to acquire up to forty five thousand two hundred twenty five (45,225) options to purchase common stock in the company in accordance with the terms and conditions of the Plan and Executive's Stock Option Agreement with Company. In addition, if the Company is subject to a Change in Control before or within ninety (90) days following termination of the Executive's service, then 100% of the Shares subject to the Options shall vest.

4. **TERMINATION.**

a. Death. Executive's employment hereunder shall terminate on the death of Executive.

b. Disability. Executive's employment hereunder may be terminated, at the option of Company, upon the Disability of Executive. For purposes of this agreement, Disability means the inability of Executive to perform his duties under this agreement due to Executive's physical or mental illness or impairment, even with reasonable accommodation, for more than twenty-six (26) substantially consecutive weeks in any twelve (12)-month period. For purposes of this section the termination date will be on the date after the substantially consecutive 26th week that Executive receives written notice from Company with respect to the Disability.

c. Termination for Cause. Notwithstanding any other provision of this Agreement, Company may, at any time, immediately terminate Executive's employment for Cause. For this purpose, Cause means (i) an act by Executive which constitutes misappropriation, embezzlement or fraud, (ii) any other act that would materially and

adversely impact the business or reputation of Company, (iii) conviction of, or pleading nolo contendere to, any felony or (iv) any other breach by Executive of any of the provisions of this Agreement, which continues for more than ten (10) calendar days without cure (to the extent such breach is curable) after written notice by Company to Executive specifying such breach and the actions needed to cure such breach (to the extent such breach is curable).

d. Termination Without Cause. Company may terminate Executive's employment at any time without Cause upon thirty (30) days' prior written notice to Executive.

5. **COMPENSATION UPON TERMINATION.** Executive shall be entitled to the following benefits upon termination of his or her employment prior to March 1, 2019:

a. **Death or Disability**. If the Executive's employment shall be terminated: (i) by reason of Executive's death, or (ii) by Company for Disability; Company shall: (a) within thirty (30) days following the date of such termination ("Termination Date") the Company will pay Executive all amounts due pursuant to the sections on Base Salary, Benefits (including premiums for the cost of continuing health care coverage and any matching related to the Company's 401(k) plan), and Incentive Compensation (including a pro-rated bonus, if any, for the year in which the termination occurs) hereof through the date of such termination, plus a lump sum amount equal to nine (9) months of the Executive's Base Salary; it being understood and agreed that the payments under this paragraph 5(a) shall be conditioned upon Executive executing a waiver and release agreement in a form satisfactory to Company. If the Executive is unable to execute such waiver and release agreement due to death or Disability, then the waiver and release agreement shall be executed by an authorized agent or representative of Executive and/or Executive's estate.

b. **For Cause or Without Good Reason**. If Executive's employment is terminated: (i) by Company for Cause, or (ii) by Executive for any reason other than for good reason (as defined below), Company shall, within thirty (30) days following the Termination Date, pay Executive all amounts due pursuant to the sections on Base Salary, Benefits, and Incentive Compensation hereof through the date of such termination and Company shall have no further obligation to Executive under this Agreement.

c. **Without Cause or for Good Reason**. In the event of termination without Cause (including a Change in Control) or Executive's resignation for good reason (such as a material change in Executive's duties or responsibilities, a material reduction in salary, a material adverse relocation of primary work location, the failure of the Company to renew the term of the employment agreement, the material failure of the Company or any successor entity to perform its obligations under Executive's employment agreement or Executive's resignation for any reason during the twelve (12) month period after a change in control), the Company will pay Executive all amounts due pursuant to the sections on Base Salary, Benefits (including premiums for the cost of continuing health care coverage and any matching related to the Company's 401(k) plan), and Incentive Compensation (including a pro-rated bonus, if any, for the year in which the termination occurs) hereof through the date of such termination, plus a lump sum amount equal to nine (9) months of the Executive's Base Salary.

d. The stock option grants issued under this Agreement and under prior stock option grants are governed by the terms and conditions of the Plan. Nothing in this Section or any waiver and release agreement contemplated hereunder shall affect any rights of Executive with respect to Executive's stock options.

6.

6. **PROPRIETARY INVENTIONS AND CONFIDENTIAL INFORMATION.**

a. The following confirms and memorializes an agreement that Company and Executive have had since the commencement of employment (which term, for purposes of this agreement, shall be deemed to include any relationship of service to the Company that may have existed prior to actually becoming an employee) with the Company in any capacity and that is and has been a material part of the consideration for employment by Company:

i. Executive has not entered into, and agrees he/she will not enter into, any agreement either written or oral in conflict with this Agreement or Executive's employment with Company. Executive will not violate any agreement with or rights of any third party or, except as expressly authorized by Company in writing hereafter, use or disclose Executive's own or any third party's confidential information or intellectual property when acting within the scope of my employment or otherwise on behalf of Company.

ii. Company shall own all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, *sui generis* database rights and all other intellectual property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by me during the term of Executive's employment with Company to and only to the fullest extent allowed by California Labor Code Section 2870 (collectively "Inventions") and

Executive will promptly disclose all Inventions to Company. Without disclosing any third party confidential information, Executive will also disclose anything Executive believes is excluded by Section 2870 so that the Company can make an independent assessment. Executive hereby make all assignments necessary to accomplish the foregoing. Executive shall further assist Company, at Company's expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights specified to be so owned or assigned. Executive hereby irrevocably designates and appoints Company as agent and attorney-in-fact, coupled with an interest and with full power of substitution, to act for and in Executive's behalf to execute and file any document and to do all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by Executive. If anything created by Executive prior to his or her employment relates to Company's actual or proposed business, Executive has listed it on Appendix B in a manner that does not violate any third party rights or disclose any confidential information. Without limiting Section 1 or Company's other rights and remedies, if, when acting within the scope of Executive's employment or otherwise on behalf of Company, Executive uses or (except solely on Appendix A pursuant to this Section) discloses his or her own or any third party's confidential information or intellectual property (or if any Invention cannot be fully made, used, reproduced, distributed and otherwise exploited without using or violating the foregoing), Company will have and Executive hereby grants Company a perpetual, irrevocable, worldwide royalty-free, non-exclusive, sub licensable right and license to exploit and exercise all such confidential information and intellectual property rights.

iii. To the extent allowed by law, paragraph 6(a)(ii) above includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as “moral rights,” “artist’s rights,” “droit moral,” or the like (collectively “Moral Rights”). To the extent Executive retains any such Moral Rights under applicable law, Executive hereby ratifies and consents to any action that may be taken with respect to such Moral Rights by or authorized by Company and agree not to assert any Moral Rights with respect thereto. Executive will confirm any such ratifications, consents and agreements from time to time as requested by Company.

iv. Executive agrees that all Inventions and all other business, technical and financial information (including, without limitation, the identity of and information relating to customers or employees) that he or she develops, learns or obtain during the term of employment that relate to Company or the business or demonstrably anticipated business of Company or that are received by or for Company in confidence, constitute “Proprietary Information.” Executive will hold in confidence and not disclose or, except within the scope of employment, use any Proprietary Information. However, Executive shall not be obligated under this paragraph with respect to information they can document is or becomes readily publicly available without restriction through no fault of Executive. Upon termination of employment, Executive will promptly return to Company all items containing or embodying Proprietary Information (including all copies), except that Executive may keep my personal copies of: (A) Executive’s compensation records and performance reviews, (B) materials distributed to shareholders generally, and (C) this Agreement. Executive also recognizes and agrees that Executive has no expectation of privacy with respect to Company’s telecommunications, networking or information

processing systems (including, without limitation, stored computer files, email messages and voice messages) and that Executive's activity and any files or messages on or using any of those systems may be monitored at any time without notice.

v. Executive agrees that during the term of employment with Company (whether or not during business hours), Executive will not engage in any activity that is in any way competitive with the business or demonstrably anticipated business of Company, and Executive will not assist any other person or organization in competing or in preparing to compete with any business or demonstrably anticipated business of Company.

vi. Executive agrees that the obligations under paragraphs 6(a)(ii) through 6(a)(iv) (above) of this Agreement shall continue in effect after termination of Executive's employment, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary on Executive's part, and that Company is entitled to communicate Executive's obligations under this Agreement to any future employer or potential employer of Executive. Executive's obligations under paragraphs 6(a)(ii) through 6(a)(iv) also shall be binding upon Executive's heirs, executors, assigns, and administrators and shall inure to the benefit of Company, it subsidiaries, successors and assigns.

vii. Any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of California without regard to the conflict of laws provisions thereof. Executive further agree that if one or more provisions of this Agreement are held to be illegal or unenforceable under applicable California law, such illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force

and effect and enforceable in accordance with its terms. This Agreement is fully assignable and transferable by Company, but any purported assignment or transfer by Executive is void. Executive also understands that any breach of this Agreement will cause irreparable harm to Company for which damages would not be a adequate remedy, and, therefore, Company will be entitled to injunctive relief with respect thereto in addition to any other remedies and without any requirement to post bond.

b. **EXECUTIVE HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS WHICH IT IMPOSES UPON EXECUTIVE WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO EXECUTIVE TO INDUCE EXECUTIVE TO SIGN THIS AGREEMENT. EXECUTIVE SIGNS THIS AGREEMENT VOLUNTARILY AND FREELY, IN DUPLICATE, WITH THE UNDERSTANDING THAT THE COMPANY WILL RETAIN ONE COUNTERPART AND THE OTHER COUNTERPART WILL BE RETAINED BY EXECUTIVE.**

7. **NO BREACH OF PRIOR AGREEMENT.** Executive represents that his performance of the terms of this agreement and his duties as an employee of Company will not result in a breach or violation of any noncompetition, confidentiality or similar agreement with any former employer or other party.

8. **GENERAL PROVISIONS.**

a. Notices. All notices, requests, demands, statements, reports and other communications provided for by this agreement shall be in writing and shall be sent by certified mail, return receipt requested, postage prepaid or sent by nationally recognized overnight delivery service. A notice shall be deemed to be given in each case on the business day following the date of its mailing. All notices shall be addressed and mailed or delivered to the following addresses:

IF to COMPANY:

Axonics Modulation Technologies, Inc.
16411 Scientific Way, Suite 200
Irvine, CA 926518
Attention: Chief Executive Officer

IF to EXECUTIVE:

Prabodh Mathur
27665 Manor Hill Rd.
Laguna Niguel, CA 92677

Each party may change his/its address for notices by giving notice in accordance here with.

b. Entire Agreement. Other than the prior stock option grants, this Agreement and the Stock Option Agreement contain the entire agreement between the parties with respect to the employment of Executive by Company and supersede all prior and contemporaneous agreements, representations and understandings of the parties with respect to the subject matter contained herein and therein, including any Agreement between Executive and Company or any of its affiliates and subsidiaries.

c. Modification and Waiver. No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by executive and a duly authorized representative of Company. A waiver of any term or condition of this agreement shall not be construed as a general waiver by Company.

d. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of California, excluding its conflicts-of-laws or choice-of-law provisions.

e. Binding Effect. Is hereby agreed that Executive's rights and obligations under this Agreement are personal and not assignable. This agreement shall be binding upon and

f. Arbitration/Dispute Resolution. Company and Executive express expressly agree that, except for disputes arising out of alleged violations related to proprietary inventions and confidential information, all disputes arising out of this Agreement shall be resolved by arbitration in accordance with the following provisions. Either party must demand in writing such arbitration within one hundred and twenty (120) days after the controversy arises by sending a notice to arbitrate to both the other party and to the American Arbitration Association ("AAA"). The controversy shall then be arbitrated, pursuant to the rules promulgated by the AAA (the "Rules"), in the state of California. The parties will select by mutual agreement the arbitrator or arbitrators to herein resolve the controversy; provided, however, that, the parties cannot mutually agree as to the arbitrator, then the arbitrator shall be selected by the AAA in accordance with the Rules. The arbitrator's decision shall be final and binding on the parties and shall bar any suit, action or proceeding instituted in any federal, state or local courts for administrative tribunal. Notwithstanding the preceding sentence, the arbitrator's judgment may be entered in any court of competent jurisdiction. Disputes arising under the sections for compensation and termination upon compensation may be litigated and injunctive relief sought in any court having jurisdiction over the subject matter of such dispute.

g. Survival. The provisions of the sections related to Compensation Upon Termination, Proprietary Inventions and Confidential Information and the General Provisions shall survive any termination of this agreement.

In witness whereof, parties have executed this agreement as of the date first above written.

AXONICS MODULATION TECHNOLOGIES, INC.

By: /s/ Raymond W. Cohen
Raymond W. Cohen
Chief Executive Officer

EXECUTIVE

By: /s/ Prabodh Mathur
Prabodh Mathur
Chief Product Development Officer

Exhibit 10.23

EXECUTIVE EMPLOYMENT AGREEMENT

This executive employment agreement (this "Agreement") is effective as of May 22, 2014 by and between Axonics Modulation Technologies, Inc., a Delaware Corporation ("Company"), and Michael Williamson ("Executive").

For the purposes of this Agreement, and as defined by the Company's 2014 Stock Option Plan (the "Plan"), a "Change in Control" shall mean (i) the consummation of a merger or consolidation of the Company with or into another entity, (ii) the dissolution, liquidation or winding up of the Company or (iii) the sale of all or substantially all of the Company's assets. The foregoing notwithstanding, a merger or consolidation of the Company shall not constitute a "Change in Control" if immediately after such merger or consolidation a majority of the voting power of the capital stock of the continuing or surviving entity, or any direct or indirect parent corporation of such continuing or surviving entity, will be owned by the persons who were the Company's stockholders immediately prior to such merger or consolidation in substantially the same proportions as their ownership of the voting power of the Company's capital stock immediately prior to such merger or consolidation.

In consideration of the premises and the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the parties agree as follows:

1. **EMPLOYMENT/TERM.** Company hereby employs Executive to perform those duties and responsibilities set forth below under Position and Duties and Executive hereby accepts such employment for a period commencing May 22, 2014, ("Effective Date") and ending on July 1, 2019, (the "Term") unless earlier terminated pursuant to the section titled Termination.

2. **POSITION AND DUTIES.**

a. Description of Executive's Position and Duties and Responsibilities. The Executive shall be Senior Vice President; General and Intellectual Property Counsel. Executive shall report to Company's Chief Executive Officer and shall have the duties and responsibilities typical for such position and such other duties and responsibilities as may be reasonably assigned or modified by the Chief Executive Officer.

b. Performance of Duties. Executive agrees to be bound by all of Company's policies and procedures relating to the conduct of its employees now or hereafter in effect.

3. **COMPENSATION AND BENEFITS.**

a. Base Salary. Executive's base salary ("Base Salary") shall be two hundred fifty thousand dollars ($250,000) per year payable in equal amounts twice monthly. The Company Board of Directors will review executives Base Salary on an annual basis, however, Company makes no assurances that executives Base Salary will be increased during the term.

b. Benefits and Vacation. Executive shall be eligible to receive such medical coverage and other benefits as are available to the senior executives of Company. Executive shall be entitled to four (4) weeks paid vacation each year during the term in accordance with the normal policies of Company.

c. Incentive Compensation. Any incentive compensation, other than equity grants, such as the potential for bonus payments is at the sole discretion of the Board of Directors. Company currently has no bonus plan in place and makes no assurances of any future plan.

d. Stock Option Grant. The Company Board of Directors has approved a resolution that Executive shall be granted stock options to acquire up to forty five thousand two hundred twenty five (45,225) options to purchase common stock in the company in accordance with the terms and conditions of the Plan and Executive's Stock Option Agreement with Company. The Option may be exercised at any time after the Date of Grant. In addition, if the Company is subject to a Change in Control before or within ninety (90) days following termination of the Executive's service, then 100% of the Shares subject to the Options shall vest.

4. **TERMINATION.**

a. Death. Executive's employment hereunder shall terminate on the death of Executive.

b. Disability. Executive's employment hereunder may be terminated, at the option of Company, upon the Disability of Executive. For purposes of this agreement, Disability means the inability of Executive to perform his duties under this agreement due to Executive's physical or mental illness or impairment, even with reasonable accommodation, for more than twenty-six (26) substantially consecutive weeks in any twelve (12)-month period. For purposes of this section the termination date will be on the date after the substantially consecutive 26th week that Executive receives written notice from Company with respect to the Disability.

c. Termination for Cause. Notwithstanding any other provision of this Agreement, Company may, at any time, immediately terminate Executive's employment for Cause. For this purpose, Cause means (i) an act by Executive which constitutes misappropriation, embezzlement or fraud, (ii) any other act that would materially and adversely impact the business or reputation of Company, (iii) conviction of, or pleading

nolo contendere to, any felony or (iv) any other breach by Executive of any of the provisions of this Agreement, which continues for more than ten (10) calendar days without cure (to the extent such breach is curable) after written notice by Company to Executive specifying such breach and the actions needed to cure such breach (to the extent such breach is curable).

d. Termination Without Cause. Company may terminate Executive's employment at any time without Cause upon thirty (30) days' prior written notice to Executive.

5. **COMPENSATION UPON TERMINATION.** Executive shall be entitled to the following benefits upon termination of his or her employment prior to July 1, 2019:

a. **Death or Disability**. If the Executive's employment shall be terminated: (i) by reason of Executive's death, or (ii) by Company for Disability; Company shall: (a) within thirty (30) days following the date of such termination ("Termination Date") the Company will pay Executive all amounts due pursuant to the sections on Base Salary, Benefits (including premiums for the cost of continuing health care coverage and any matching related to the Company's 401(k) plan), and Incentive Compensation (including a pro-rated bonus, if any, for the year in which the termination occurs) hereof through the date of such termination, plus a lump sum amount equal to nine (9) months of the Executive's Base Salary; it being understood and agreed that the payments under this paragraph 5(a) shall be conditioned upon Executive executing a waiver and release agreement in a form satisfactory to Company. If the Executive is unable to execute such waiver and release agreement due to death or Disability, then the waiver and release agreement shall be executed by an authorized agent or representative of Executive and/or Executive's estate.

b. **For Cause or Without Good Reason**. If Executive's employment is terminated: (i) by Company for Cause, or (ii) by Executive for any reason other than for good reason (as defined below), Company shall, within thirty (30) days following the Termination Date, pay Executive all amounts due pursuant to the sections on Base Salary, Benefits, and Incentive Compensation hereof through the date of such termination and Company shall have no further obligation to Executive under this Agreement.

c. **Without Cause or for Good Reason**. In the event of termination without Cause (including a Change in Control) or Executive's resignation for good reason (such as a material change in Executive's duties or responsibilities, a material reduction in salary, a material adverse relocation of primary work location, the failure of the Company to renew the term of the employment agreement, the material failure of the Company or any successor entity to perform its obligations under Executive's employment agreement or Executive's resignation for any reason during the twelve (12) month period after a change in control), the Company will pay Executive all amounts due pursuant to the sections on Base Salary, Benefits (including premiums for the cost of continuing health care coverage and any matching related to the Company's 401(k) plan), and Incentive Compensation (including a pro-rated bonus, if any, for the year in which the termination occurs) hereof through the date of such termination, plus a lump sum amount equal to nine (9) months of the Executive's Base Salary.

d. The stock option grants issued under this Agreement and under prior stock option grants are governed by the terms and conditions of the Plan. Nothing in this Section or any waiver and release agreement contemplated hereunder shall affect any rights of Executive with respect to Executive's stock options.

6. **PROPRIETARY INVENTIONS AND CONFIDENTIAL INFORMATION.**

a. The following confirms and memorializes an agreement that Company and Executive have had since the commencement of employment (which term, for purposes of this agreement, shall be deemed to include any relationship of service to the Company that may have existed prior to actually becoming an employee) with the Company in any capacity and that is and has been a material part of the consideration for employment by Company:

i. Executive has not entered into, and agrees he/she will not enter into, any agreement either written or oral in conflict with this Agreement or Executive's employment with Company. Executive will not violate any agreement with or rights of any third party or, except as expressly authorized by Company in writing hereafter, use or disclose Executive's own or any third party's confidential information or intellectual property when acting within the scope of my employment or otherwise on behalf of Company.

ii. Company shall own all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, *sui generis* database rights and all other intellectual property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by me during the term of Executive's employment with Company to and only to the fullest extent allowed by California Labor Code Section 2870 (collectively "Inventions") and Executive will promptly disclose all Inventions to Company. Without disclosing any third party confidential information, Executive will also disclose anything Executive believes

is excluded by Section 2870 so that the Company can make an independent assessment. Executive hereby make all assignments necessary to accomplish the foregoing. Executive shall further assist Company, at Company's expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights specified to be so owned or assigned. Executive hereby irrevocably designates and appoints Company as agent and attorney-in-fact, coupled with an interest and with full power of substitution, to act for and in Executive's behalf to execute and file any document and to do all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by Executive. If anything created by Executive prior to his or her employment relates to Company's actual or proposed business, Executive has listed it on Appendix B in a manner that does not violate any third party rights or disclose any confidential information. Without limiting Section 1 or Company's other rights and remedies, if, when acting within the scope of Executive's employment or otherwise on behalf of Company, Executive uses or (except solely on Appendix A pursuant to this Section) discloses his or her own or any third party's confidential information or intellectual property (or if any Invention cannot be fully made, used, reproduced, distributed and otherwise exploited without using or violating the foregoing), Company will have and Executive hereby grants Company a perpetual, irrevocable, worldwide royalty-free, non-exclusive, sub licensable right and license to exploit and exercise all such confidential information and intellectual property rights.

iii. To the extent allowed by law, paragraph 6(a)(ii) above includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as “moral rights,” “artist’s rights,” “droit moral,” or the like (collectively “Moral Rights”). To the extent Executive retains any such Moral Rights under applicable law, Executive hereby ratifies and consents to any action that may be taken with respect to such Moral Rights by or authorized by Company and agree not to assert any Moral Rights with respect thereto. Executive will confirm any such ratifications, consents and agreements from time to time as requested by Company.

iv. Executive agrees that all Inventions and all other business, technical and financial information (including, without limitation, the identity of and information relating to customers or employees) that he or she develops, learns or obtain during the term of employment that relate to Company or the business or demonstrably anticipated business of Company or that are received by or for Company in confidence, constitute “Proprietary Information.” Executive will hold in confidence and not disclose or, except within the scope of employment, use any Proprietary Information. However, Executive shall not be obligated under this paragraph with respect to information they can document is or becomes readily publicly available without restriction through no fault of Executive. Upon termination of employment, Executive will promptly return to Company all items containing or embodying Proprietary Information (including all copies), except that Executive may keep my personal copies of: (A) Executive’s compensation records and performance reviews, (B) materials distributed to shareholders generally, and (C) this Agreement. Executive also recognizes and agrees that Executive has no expectation of privacy with respect to Company’s telecommunications, networking or information processing systems (including, without limitation, stored computer files, email messages

processing systems (including, without limitation, stored computer files, email messages and voice messages) and that Executive's activity and any files or messages on or using any of those systems may be monitored at any time without notice.

v. Executive agrees that during the term of employment with Company (whether or not during business hours), Executive will not engage in any activity that is in any way competitive with the business or demonstrably anticipated business of Company, and Executive will not assist any other person or organization in competing or in preparing to compete with any business or demonstrably anticipated business of Company.

vi. Executive agrees that the obligations under paragraphs 6(a)(ii) through 6(a)(iv) (above) of this Agreement shall continue in effect after termination of Executive's employment, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary on Executive's part, and that Company is entitled to communicate Executive's obligations under this Agreement to any future employer or potential employer of Executive. Executive's obligations under paragraphs 6(a)(ii) through 6(a)(iv) also shall be binding upon Executive's heirs, executors, assigns, and administrators and shall inure to the benefit of Company, it subsidiaries, successors and assigns.

vii. Any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of California without regard to the conflict of laws provisions thereof. Executive further agree that if one or more provisions of this Agreement are held to be illegal or unenforceable under applicable California law, such illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force

assignable and transferable by Company, but any purported assignment or transfer by Executive is void. Executive also understands that any breach of this Agreement will cause irreparable harm to Company for which damages would not be a adequate remedy, and, therefore, Company will be entitled to injunctive relief with respect thereto in addition to any other remedies and without any requirement to post bond.

b. **EXECUTIVE HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS WHICH IT IMPOSES UPON EXECUTIVE WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO EXECUTIVE TO INDUCE EXECUTIVE TO SIGN THIS AGREEMENT. EXECUTIVE SIGNS THIS AGREEMENT VOLUNTARILY AND FREELY, IN DUPLICATE, WITH THE UNDERSTANDING THAT THE COMPANY WILL RETAIN ONE COUNTERPART AND THE OTHER COUNTERPART WILL BE RETAINED BY EXECUTIVE.**

7. **NO BREACH OF PRIOR AGREEMENT.**

7. **NO BREACH OF PRIOR AGREEMENT.** Executive represents that his performance of the terms of this agreement and his duties as an employee of Company will not result in a breach or violation of any noncompetition, confidentiality or similar agreement with any former employer or other party.

8. **GENERAL PROVISIONS.**

a. Notices. All notices, requests, demands, statements, reports and other communications provided for by this agreement shall be in writing and shall be sent by certified mail, return receipt requested, postage prepaid or sent by nationally recognized overnight delivery service. A notice shall be deemed to be given in each case on the business day following the date of its mailing. All notices shall be addressed and mailed or delivered to the following addresses:

IF to COMPANY:

Axonics Modulation Technologies, Inc.
16411 Scientific Way, Suite 200
Irvine, CA 926518
Attention: Chief Executive Officer

IF to EXECUTIVE:

Michael Williamson
304 Windmill Canon Place
Clayton, CA 94517

Each party may change his/its address for notices by giving notice in accordance here with.

b. Entire Agreement. Other than the prior stock option grants, this Agreement and the Stock Option Agreement contain the entire agreement between the parties with respect to the employment of Executive by Company and supersede all prior and contemporaneous agreements, representations and understandings of the parties with respect to the subject matter contained herein and therein, including any Agreement between Executive and Company or any of its affiliates and subsidiaries.

c. Modification and Waiver. No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by executive and a duly authorized representative of Company. A waiver of any term or condition of this agreement shall not be construed as a general waiver by Company.

d. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of California, excluding its conflicts-of-laws or choice-of-law provisions.

e. Binding Effect. Is hereby agreed that Executive's rights and obligations under this Agreement are personal and not assignable. This agreement shall be binding upon and inure to the benefit of, the heirs, personal representatives, successors and assigns of the parties; subject, however, to the restrictions on assignment contained herein.

f. Arbitration/Dispute Resolution. Company and Executive express expressly agree that, except for disputes arising out of alleged violations related to proprietary inventions and confidential information, all disputes arising out of this Agreement shall be resolved by arbitration in accordance with the following provisions. Either party must demand in

writing such arbitration within one hundred and twenty (120) days after the controversy arises by sending a notice to arbitrate to both the other party and to the American Arbitration Association ("AAA"). The controversy shall then be arbitrated, pursuant to the rules promulgated by the AAA (the "Rules"), in the state of California. The parties will select by mutual agreement the arbitrator or arbitrators to herein resolve the controversy; provided, however, that, the parties cannot mutually agree as to the arbitrator, then the arbitrator shall be selected by the AAA in accordance with the Rules. The arbitrator's decision shall be final and binding on the parties and shall bar any suit, action or proceeding instituted in any federal, state or local courts for administrative tribunal. Notwithstanding the preceding sentence, the arbitrator's judgment may be entered in any court of competent jurisdiction. Disputes arising under the sections for compensation and termination upon compensation may be litigated and injunctive relief sought in any court having jurisdiction over the subject matter of such dispute.

g. Survival. The provisions of the sections related to Compensation Upon Termination, Proprietary Inventions and Confidential Information and the General Provisions shall survive any termination of this agreement.

In witness whereof, parties have executed this agreement as of the date first above written.

AXONICS MODULATION TECHNOLOGIES, INC.

By: /s/ Raymond W. Cohen
Raymond W. Cohen
Chief Executive Officer

EXECUTIVE

By: /s/ Michael Williamson
Michael Williamson
Senior Vice President
General and Intellectual Property Counsel

EXECUTIVE EMPLOYMENT AGREEMENT

This executive employment agreement (this "Agreement") is effective as of July 24, 2018 by and between Axonics Modulation Technologies, Inc., A Delaware Corporation ("Company"), and John Woock, Ph.D. ("Executive").

In consideration of the premises and the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the parties agree as follows:

1. EMPLOYMENT/TERM.

Company hereby employs Executive to perform those duties and responsibilities set forth below under Position and Duties and Executive hereby accepts such employment for a period commencing July 24, ("Effective Date") and ending on Dec 31, 2021, (the "Term") unless earlier terminated pursuant to the section titled Termination.

2. POSITION AND DUTIES.

Description of Executive's Position and Duties and Responsibilities. The Executive shall be the Chief Marketing Officer. Executive shall report to Axonics Modulation Technologies' Chief Executive Officer and shall have the duties and responsibilities typical for such position and such other duties and responsibilities as may be reasonably assigned or modified by the Chief Executive Officer. Executive agrees to be bound by all of Company's policies and procedures relating to the conduct of its employees now or hereafter in effect.

3. COMPENSATION AND BENEFITS.

a. Base Salary. Executive's base salary ("Base Salary") shall be two hundred and fifty thousand dollars ($250,000) per year payable in equal amounts twice monthly. The Company makes no assurances that executives Base Salary will be increased at any time during the term.

b. Benefits and Vacation. Executive shall be eligible to receive such medical coverage and other benefits as are available to the senior executives of Company. Executive shall be entitled to four (4) weeks paid vacation each year (in addition to certain other company authorized paid days off applicable to all employees—approx. eight (8) such days) during the term in accordance with the normal policies of Company.

c. Incentive Compensation. Any additional incentive compensation is at the sole discretion of the Board of Directors. The Company currently has no bonus plans currently in place and makes no assurances of any future plan.

4. **TERMINATION.**

a. Death. Executive's employment hereunder shall terminate on the death of Executive.

b. Disability. Executive's employment hereunder may be terminated, at the option of Company, upon the Disability of Executive. For purposes of this agreement, Disability means the inability of Executive to perform his duties under this agreement due to Executive's physical or mental illness or impairment, even with reasonable accommodation, for more than twenty-six (26) substantially consecutive weeks in any twelve (12) month period. For purposes of this section the termination date will be on the date after the substantially consecutive 26th week that Executive receives written notice from Company with respect to the Disability.

c. Termination for Cause. Notwithstanding any other provision of this Agreement, Company may, at any time, immediately terminate Executive's employment for Cause. For this purpose, Cause means (i) an act by Executive which constitutes misappropriation, embezzlement or fraud, (ii) any other act that would materially and adversely impact the business or reputation of Company, (iii) conviction of, or pleading nolo contendere to, any felony or (iv) any other breach by Executive of any of the provisions of this Agreement, which continues for more than ten (10) calendar days without cure (to the extent such breach is curable) after written notice by Company to Executive specifying such breach and the actions needed to cure such breach (to the extent such breach is curable).

d. Termination Without Cause. Company may terminate Executive's employment at any time without Cause upon thirty (30) days' prior written notice to Executive.

5. COMPENSATION UPON TERMINATION. Executive shall be entitled to the following benefits upon termination of her employment: (i) by reason of Executive's death, or (ii) by Company for Disability; Company shall within thirty (30) days following the date of such termination ("Termination Date") the Company will pay Executive all amounts due pursuant to the sections on Base Salary, Benefits (including premiums for the cost of continuing health care

coverage and any matching related to the Company's 401(k) plan) hereof through the date of such termination, plus a lump sum amount equal to nine (9) months of the Executive's Base Salary; it being understood and agreed that the payments under this paragraph 5(a) shall be conditioned upon Executive executing a waiver and release agreement in a form satisfactory to Company. If the Executive is unable to execute such waiver and release agreement due to death or Disability, then the waiver and release agreement shall be executed by an authorized agent or representative of Executive and/or Executive's estate.

a. **For Cause or Without Good Reason**. If Executive's employment is terminated: (i) by Company for Cause, or (ii) by Executive for any reason other than for good reason (as defined below), Company shall, within thirty (30) days following the Termination Date, pay Executive all amounts due pursuant to the sections on Base Salary, Benefits, and Incentive Compensation hereof through the date of such termination and Company shall have no further obligation to Executive under this Agreement.

b. **Without Cause or for Good Reason**. In the event of termination without Cause (including a Change in Control) or Executive's resignation for good reason (such as a material change in Executive's duties or responsibilities, a material reduction in salary, a material adverse relocation of primary work location, the failure of the Company to renew the term of the employment agreement, the material failure of the Company or any successor entity to perform its obligations under Executive's employment agreement or Executive's resignation for any reason during the twelve (12) month period after a change in control), the Company will pay Executive all amounts due pursuant to the sections on Base Salary, Benefits (including premiums for the cost of continuing health care coverage and any matching related to the Company's 401(k) plan), and Incentive Compensation (including a pro-rated bonus, if any, for the year in which the termination occurs) hereof through the date of such termination, plus a lump sum amount equal to nine (9) months of the Executive's Base Salary.

6. **PROPRIETARY INVENTIONS AND CONFIDENTIAL INFORMATION.**

a. The following confirms and memorializes an agreement that Company and Executive have had since the commencement of employment (which term, for purposes of this agreement, shall be deemed to include any relationship of service to the Company that may have existed prior to

actually becoming an employee) with the Company in any capacity and that is and has been a material part of the consideration for employment by Company:

i. Executive has not entered into, and agrees he/she will not enter into, any agreement either written or oral in conflict with this Agreement or Executive's employment with Company. Executive will not violate any agreement with or rights of any third party or, except as expressly authorized by Company in writing hereafter, use or disclose Executive's own or any third party's confidential information or intellectual property when acting within the scope of my employment or otherwise on behalf of Company.

ii. Company shall own all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, sui generis database rights and all other intellectual property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by me during the term of Executive's employment with Company to and only to the fullest extent allowed by California Labor Code Section 2870 (collectively "Inventions") and Executive will promptly disclose all Inventions to Company. Without disclosing any third party confidential information, Executive will also disclose anything Executive believes is excluded by Section 2870 so that the Company can make an independent assessment. Executive hereby make all assignments necessary to accomplish the foregoing. Executive shall further assist Company, at Company's expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights specified to be so owned or assigned. Executive hereby irrevocably designates and appoints Company as agent and attorney-in-fact, coupled with an interest and with full power of substitution, to act for and in Executive's behalf to execute and file any document and to do all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by Executive. If anything created by Executive prior to his or her employment relates to Company's actual or proposed business, Executive has listed it on Appendix A in a manner that does not violate any third party rights or disclose any confidential information. Without limiting Section 1 or Company's other rights and remedies, if, when acting within the scope of Executive's employment or otherwise on behalf of Company, Executive uses or (except solely on Appendix A pursuant to this Section) discloses his or her own or any third party's confidential information or intellectual property (or if any Invention cannot be fully made, used, reproduced, distributed and

otherwise exploited without using or violating the foregoing), Company will have and Executive hereby grants Company a perpetual, irrevocable, worldwide royalty-free, non-exclusive, sub licensable right and license to exploit and exercise all such confidential information and intellectual property rights.

iii. To the extent allowed by law, paragraph 6(a)(ii) above includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as “moral rights,” “artist’s rights,” “droit moral,” or the like (collectively “Moral Rights”). To the extent Executive retains any such Moral Rights under applicable law, Executive hereby ratifies and consents to any action that may be taken with respect to such Moral Rights by or authorized by Company and agree not to assert any Moral Rights with respect thereto. Executive will confirm any such ratifications, consents and agreements from time to time as requested by Company.

iv. Executive agrees that all Inventions and all other business, technical and financial information (including, without limitation, the identity of and information relating to customers or employees) that he or she develops, learns or obtain during the term of employment that relate to Company or the business or demonstrably anticipated business of Company or that are received by or for Company in confidence, constitute “Proprietary Information.” Executive will hold in confidence and not disclose or, except within the scope of employment, use any Proprietary Information. However, Executive shall not be obligated under this paragraph with respect to information they can document is or becomes readily publicly available without restriction through no fault of Executive. Upon termination of employment, Executive will promptly return to Company all items containing or embodying Proprietary Information (including all copies), except that Executive may keep my personal copies of: (A) Executive’s compensation records and performance reviews, (B) materials distributed to shareholders generally, and (C) this Agreement. Executive also recognizes and agrees that Executive has no expectation of privacy with respect to Company’s telecommunications, networking or information processing systems (including, without limitation, stored computer files, email messages and voice messages) and that Executive’s activity and any files or messages on or using any of those systems may be monitored at any time without notice.

v. Executive agrees that during the term of employment with Company (whether or not during business hours), Executive will not engage in any activity that is in any way competitive with the business or demonstrably anticipated business of Company, and Executive will not assist any other

person or organization in competing or in preparing to compete with any business or demonstrably anticipated business of Company.

vi. Executive agrees that the obligations under paragraphs 6(a)(ii) through 6(a)(iv) (above) of this Agreement shall continue in effect after termination of Executive's employment, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary on Executive's part, and that Company is entitled to communicate Executive's obligations under this Agreement to any future employer or potential employer of Executive. Executive's obligations under paragraphs 6(a)(ii) through 6(a)(iv) also shall be binding upon Executive's heirs, executors, assigns, and administrators and shall inure to the benefit of Company, it subsidiaries, successors and assigns.

vii. Any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of California without regard to the conflict of laws provisions thereof. Executive further agree that if one or more provisions of this Agreement are held to be illegal or unenforceable under applicable California law, such illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force and effect and enforceable in accordance with its terms. This Agreement is fully assignable and transferable by Company, but any purported assignment or transfer by Executive is void. Executive also understands that any breach of this Agreement will cause irreparable harm to Company for which damages would not be a adequate remedy, and, therefore, Company will be entitled to injunctive relief with respect thereto in addition to any other remedies and without any requirement to post bond.

b. **EXECUTIVE HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS WHICH IT IMPOSES UPON EXECUTIVE WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO EXECUTIVE TO INDUCE EXECUTIVE TO SIGN THIS AGREEMENT. EXECUTIVE SIGNS THIS AGREEMENT VOLUNTARILY AND FREELY, IN DUPLICATE, WITH THE UNDERSTANDING THAT THE COMPANY WILL RETAIN ONE COUNTERPART AND THE OTHER COUNTERPART WILL BE RETAINED BY EXECUTIVE.**

7. **NO BREACH OF PRIOR AGREEMENT.** Executive represents that his performance of the terms of this agreement and his duties as an employee of Company will not result in a breach or violation of any noncompetition, confidentiality or similar agreement with any former employer or other party.

8. **GENERAL PROVISIONS.**

a. Notices. All notices, requests, demands, statements, reports and other communications provided for by this agreement shall be in writing and shall be sent by certified mail, return receipt requested, postage prepaid or sent by nationally recognized overnight delivery service. A notice shall be deemed to be given in each case on the business day following the date of its mailing. All notices shall be addressed and mailed or delivered to the following addresses

IF to COMPANY:
Axonics Modulation Technologies, Inc.
26 Technology Dr.
Irvine, CA 92618
Attention: Chief Executive Officer

IF to EXECUTIVE:
John Woock, Ph.D.
c/o Axonics Modulation Technologies, Inc.
26 Technology Dr.
Irvine, CA 92618

Each party may change his/its address for notices by giving notice in accordance here with.

b. Entire Agreement. Other than the prior stock option grants, this Agreement and the Stock Option Agreement contain the entire agreement between the parties with respect to the employment of Executive by Company and supersede all prior and contemporaneous agreements, representations and understandings of the parties with respect to the subject matter contained herein and therein, including any Agreement between Executive and Company or any of its affiliates and subsidiaries.

c. Modification and Waiver. No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by executive and a duly authorized representative of Company. A waiver of any term or condition of this agreement shall not be construed as a general waiver by Company.

d. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of California, excluding its conflicts-of-laws or choice-of-law provisions.

e. Binding Effect. Is hereby agreed that Executive's rights and obligations under this Agreement are personal and not assignable. This agreement shall be binding upon and inure to the benefit of, the heirs, personal representatives, successors and assigns of the parties; subject, however, to the restrictions on assignment contained herein.

f. Arbitration/Dispute Resolution. Company and Executive express expressly agree that, except for disputes arising out of alleged violations related to proprietary inventions and confidential information, all disputes arising out of this Agreement shall be resolved by arbitration in accordance with the following provisions. Either party must demand in writing such arbitration within one hundred and twenty (120) days after the controversy arises by sending a notice to arbitrate to both the other party and to the American Arbitration Association ("AAA"). The controversy shall then be arbitrated, pursuant to the rules promulgated by the AAA (the "Rules"), in the state of California. The parties will select by mutual agreement the arbitrator or arbitrators to herein resolve the controversy; provided, however, that, the parties cannot mutually agree as to the arbitrator, then the arbitrator shall be selected by the AAA in accordance with the Rules. The arbitrator's decision shall be final and binding on the parties and shall bar any suit, action or proceeding instituted in any federal, state or local courts for administrative tribunal. Notwithstanding the preceding sentence, the arbitrator's judgment may be entered in any court of competent jurisdiction. Disputes arising under the sections for compensation and termination upon compensation may be litigated and injunctive relief sought in any court having jurisdiction over the subject matter of such dispute.

g. Survival. The provisions of the sections related to Compensation Upon Termination, Proprietary Inventions and Confidential Information and the General Provisions shall survive any termination of this agreement.

***

In witness whereof, parties have executed this agreement as of the date first above written.

AXONICS MODULATION TECHNOLOGIES, INC.

By: /s/ Raymond W. Cohen
Name: Raymond W. Cohen
Title: Chief Executive Officer

EXECUTIVE

By: /s/ John Woock, Ph.D.
Name: John Woock, Ph.D.

Exhibit 10.25

EXECUTIVE EMPLOYMENT AGREEMENT

This executive employment agreement (this "Agreement") is effective as of January 1, 2015 by and between Axonics Modulation Technologies, Inc., A Delaware Corporation ("Company"), and Rinda Sama ("Executive").

In consideration of the premises and the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the parties agree as follows:

1. **EMPLOYMENT/TERM.** Company hereby employs Executive to perform those duties and responsibilities set forth below under Position and Duties and Executive hereby accepts such employment for a period commencing May 19, 2014, ("Effective Date") and ending on May 20, 2019, (the "Term") unless earlier terminated pursuant to the section titled Termination.

2. **POSITION AND DUTIES.**

   a. Description of Executive's Position and Duties and Responsibilities. The Executive shall be the Vice President of Operations, Quality and Regulatory Affairs. Executive shall report to Axonics Modulation Technologies' Chief Operating & Financial Officer and shall have the duties and responsibilities typical for such position and such other duties and responsibilities as may be reasonably assigned or modified by the Chief Operating & Financial Officer or Chief Executive Officer.

   b. Performance of Duties. Executive agrees to be bound by all of Company's policies and procedures relating to the conduct of its employees now or hereafter in effect.

3. **COMPENSATION AND BENEFITS.**

a. Base Salary. Beginning on January 1, 2015, Executive's base salary ("Base Salary") shall be two hundred and seventy thousand dollars ($270,000) per year payable in equal amounts twice monthly. The Company makes no assurances that executives Base Salary will be increased at any time during the term.

b. Benefits and Vacation. Executive shall be eligible to receive such medical coverage and other benefits as are available to the senior executives of Company. Executive shall be entitled to four (4) weeks paid vacation each year during the term in accordance with the normal policies of Company.

c. Incentive Compensation. Any incentive compensation is at the sole discretion of the Board of Directors. The Company currently has no bonus plan in place and makes no assurances that Executive will be part of any future plan.

d. Stock Option Grant. The Company Board of Directors previously approved a resolution that Executive shall be granted stock options to acquire up to 30,150 options to purchase common stock in the company in accordance with the terms and conditions of the Plan and Executive's Stock Option Agreement with Company. The Option may be exercised at any time after the Date of Grant. The Options vest twenty five percent (25%) on the Date of Grant and the remainder vests 1/36 per month thereafter starting on the Vesting Commencement Date. In addition, if the Company is subject to a Change in Control before or within ninety (90) days following termination of the Executive's service, then 100% of the Shares subject to the Options shall vest.

4. **TERMINATION.**

a. Death. Executive's employment hereunder shall terminate on the death of Executive.

b. Disability. Executive's employment hereunder may be terminated, at the option of Company, upon the Disability of Executive. For purposes of this agreement, Disability means the inability of Executive to perform his duties under this agreement due to Executive's physical or mental illness or impairment, even with reasonable accommodation, for more than twenty-six (26) substantially consecutive weeks in any twelve (12)-month period. For purposes of this section the termination date will be on the date after the substantially consecutive 26th week that Executive receives written notice from Company with respect to the Disability.

c. Termination for Cause. Notwithstanding any other provision of this Agreement, Company may, at any time, immediately terminate Executive's employment for Cause. For this purpose, Cause means (i) an act by Executive which constitutes misappropriation, embezzlement or fraud, (ii) any other act that would materially and adversely impact the business or reputation of Company, (iii) conviction of, or pleading nolo contendere to, any felony or (iv) any other breach by Executive of any of the provisions of this Agreement, which continues for more than ten (10) calendar days without cure (to the extent such breach is curable) after written notice by Company to Executive specifying such breach and the actions needed to cure such breach (to the extent such breach is curable).

d. Termination Without Cause. Company may terminate Executive's employment at any time without Cause upon thirty (30) days' prior written notice to Executive.

5. **COMPENSATION UPON TERMINATION**. Executive shall be entitled to the following benefits upon termination of his or her employment prior to May 20, 2019:

a. **Death or Disability**. If the Executive's employment shall be terminated: (i) by reason of Executive's death, or (ii) by Company for Disability; Company shall: (a) within thirty (30) days following the date of such termination ("Termination Date") the Company will pay Executive all amounts due pursuant to the sections on Base Salary, Benefits (including premiums for the cost of continuing health care coverage and any matching related to the Company's 401(k) plan), and Incentive Compensation (including a pro-rated bonus, if any, for the year in which the termination occurs) hereof through the date of such termination, plus a lump sum amount equal to six (6) months of the Executive's Base Salary; it being understood and agreed that the payments under this paragraph 5(a) shall be conditioned upon Executive executing a waiver and release agreement in a form satisfactory to Company. If the Executive is unable to execute such waiver and release agreement due to death or Disability, then the waiver and release agreement shall be executed by an authorized agent or representative of Executive and/or Executive's estate.

b. **For Cause or Without Good Reason**. If Executive's employment is terminated: (i) by Company for Cause, or (ii) by Executive for any reason other than for good reason (as defined below), Company shall, within thirty (30) days following the Termination Date, pay Executive all amounts due pursuant to the sections on Base Salary, Benefits, and Incentive Compensation hereof through the date of such termination and Company shall have no further obligation to Executive under this Agreement.

c. **Without Cause or for Good Reason**. In the event of termination without Cause (including a Change in Control) or Executive's resignation for good reason (such as a material change in Executive's duties or responsibilities, a material reduction in salary, a material adverse relocation of primary work location, the failure of the Company to renew the term of the employment agreement, the material failure of the Company or any successor entity to perform its obligations under Executive's employment agreement or Executive's resignation for any reason during the twelve (12) month period after a change in control), the Company will pay Executive all amounts due pursuant to the sections on Base Salary, Benefits (including premiums for the cost of continuing health care coverage and any matching related to the Company's 401(k) plan), and Incentive Compensation (including a pro-rated bonus, if any, for the year in which the termination occurs) hereof through the date of such termination, plus a lump sum amount equal to six (6) months of the Executive's Base Salary.

d. The stock option grants issued under this Agreement and under prior stock option grants are governed by the terms and conditions of the Plan. Nothing in this Section or any waiver and release agreement contemplated hereunder shall affect any rights of Executive with respect to Executive's stock options.

e. For the purposes of this Agreement, and as defined by the Company's 2014 Stock Option Plan (the "Plan"), a "Change in Control" shall mean (i) the consummation of a merger or consolidation of the Company with or into another entity, (ii) the dissolution, liquidation or winding up of the Company or (iii) the sale of all or substantially all of the Company's assets. The foregoing notwithstanding, a merger or consolidation of the Company shall not constitute a "Change in Control" if immediately after such merger or consolidation a majority of the voting power of the capital stock of the continuing or surviving entity, or any direct or indirect parent corporation of such continuing or surviving entity, will be

f. owned by the persons who were the Company's stockholders immediately prior to such merger or consolidation in substantially the same proportions as their ownership of the voting power of the Company's capital stock immediately prior to such merger or consolidation.

6. **PROPRIETARY INVENTIONS AND CONFIDENTIAL INFORMATION.**

a. The following confirms and memorializes an agreement that Company and Executive have had since the commencement of employment (which term, for purposes of this agreement, shall be deemed to include any relationship of service to the Company that may have existed prior to actually becoming an employee) with the Company in any capacity and that is and has been a material part of the consideration for employment by Company:

i. Executive has not entered into, and agrees he/she will not enter into, any agreement either written or oral in conflict with this Agreement or Executive's employment with Company. Executive will not violate any agreement with or rights of any third party or, except as expressly authorized by Company in writing hereafter, use or disclose Executive's own or any third party's confidential information or intellectual property when acting within the scope of my employment or otherwise on behalf of Company.

ii. Company shall own all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, *sui generis* database rights and all other intellectual property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by me

during the term of Executive's employment with Company to and only to the fullest extent allowed by California Labor Code Section 2870 (collectively "Inventions") and Executive will promptly disclose all Inventions to Company. Without disclosing any third party confidential information, Executive will also disclose anything Executive believes is excluded by Section 2870 so that the Company can make an independent assessment. Executive hereby make all assignments necessary to accomplish the foregoing. Executive shall further assist Company, at Company's expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights specified to be so owned or assigned. Executive hereby irrevocably designates and appoints Company as agent and attorney-in-fact, coupled with an interest and with full power of substitution, to act for and in Executive's behalf to execute and file any document and to do all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by Executive. If anything created by Executive prior to his or her employment relates to Company's actual or proposed business, Executive has listed it on Appendix B in a manner that does not violate any third party rights or disclose any confidential information. Without limiting Section 1 or Company's other rights and remedies, if, when acting within the scope of Executive's employment or otherwise on behalf of Company, Executive uses or (except solely on Appendix A pursuant to this Section) discloses his or her own or any third party's confidential information or intellectual property (or if any Invention cannot be fully made, used, reproduced, distributed and otherwise exploited without using or violating the foregoing), Company will have and Executive hereby grants Company a perpetual, irrevocable, worldwide royalty-free, non-exclusive, sub licensable right and license to exploit and exercise all such confidential information and intellectual property rights.

iii. To the extent allowed by law, paragraph 6(a)(ii) above includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as “moral rights,” “artist’s rights,” “droit moral,” or the like (collectively “Moral Rights”). To the extent Executive retains any such Moral Rights under applicable law, Executive hereby ratifies and consents to any action that may be taken with respect to such Moral Rights by or authorized by Company and agree not to assert any Moral Rights with respect thereto. Executive will confirm any such ratifications, consents and agreements from time to time as requested by Company.

iv. Executive agrees that all Inventions and all other business, technical and financial information (including, without limitation, the identity of and information relating to customers or employees) that he or she develops, learns or obtain during the term of employment that relate to Company or the business or demonstrably anticipated business of Company or that are received by or for Company in confidence, constitute “Proprietary Information.” Executive will hold in confidence and not disclose or, except within the scope of employment, use any Proprietary Information. However, Executive shall not be obligated under this paragraph with respect to information they can document is or becomes readily publicly available without restriction through no fault of Executive. Upon termination of employment, Executive will promptly return to Company all items containing or embodying Proprietary Information (including all copies), except that Executive may keep my personal copies of: (A) Executive’s compensation records and performance reviews, (B) materials distributed to shareholders generally, and (C) this

Agreement. Executive also recognizes and agrees that Executive has no expectation of privacy with respect to Company's telecommunications, networking or information processing systems (including, without limitation, stored computer files, email messages and voice messages) and that Executive's activity and any files or messages on or using any of those systems may be monitored at any time without notice.

v. Executive agrees that during the term of employment with Company (whether or not during business hours), Executive will not engage in any activity that is in any way competitive with the business or demonstrably anticipated business of Company, and Executive will not assist any other person or organization in competing or in preparing to compete with any business or demonstrably anticipated business of Company.

vi. Executive agrees that the obligations under paragraphs 6(a)(ii) through 6(a)(iv) (above) of this Agreement shall continue in effect after termination of Executive's employment, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary on Executive's part, and that Company is entitled to communicate Executive's obligations under this Agreement to any future employer or potential employer of Executive. Executive's obligations under paragraphs 6(a)(ii) through 6(a)(iv) also shall be binding upon Executive's heirs, executors, assigns, and administrators and shall inure to the benefit of Company, it subsidiaries, successors and assigns.

vii. Any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of California without regard to the conflict of laws provisions thereof. Executive further agree that if one or more provisions of this Agreement are held to be illegal or unenforceable under applicable California law, such

illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force and effect and enforceable in accordance with its terms. This Agreement is fully assignable and transferable by Company, but any purported assignment or transfer by Executive is void. Executive also understands that any breach of this Agreement will cause irreparable harm to Company for which damages would not be a adequate remedy, and, therefore, Company will be entitled to injunctive relief with respect thereto in addition to any other remedies and without any requirement to post bond.

b. EXECUTIVE HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS WHICH IT IMPOSES UPON EXECUTIVE WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO EXECUTIVE TO INDUCE EXECUTIVE TO SIGN THIS AGREEMENT. EXECUTIVE SIGNS THIS AGREEMENT VOLUNTARILY AND FREELY, IN DUPLICATE, WITH THE UNDERSTANDING THAT THE COMPANY WILL RETAIN ONE COUNTERPART AND THE OTHER COUNTERPART WILL BE RETAINED BY EXECUTIVE.

7. **NO BREACH OF PRIOR AGREEMENT.** Executive represents that his performance of the terms of this agreement and his duties as an employee of Company will not result in a breach or violation of any noncompetition, confidentiality or similar agreement with any former employer or other party.

8. **GENERAL PROVISIONS.**

a. Notices. All notices, requests, demands, statements, reports and other communications provided for by this agreement shall be in writing and shall be sent by certified mail, return receipt requested, postage prepaid or sent by nationally recognized overnight delivery service. A notice shall be deemed to be given in each case on the business day following the date of its mailing. All notices shall be addressed and mailed or delivered to the following addresses

IF to COMPANY:

Axonics Modulation Technologies, Inc.
7575 Irvine Center Drive, Suite 200
Irvine, CA 926518
Attention: Chief Executive Officer

IF to EXECUTIVE:

Rinda Sama
27601 Jaquita Place
Laguna Niguel, CA 92677

Each party may change his/its address for notices by giving notice in accordance here with.

b. Entire Agreement. Other than the prior stock option grants, this Agreement and the Stock Option Agreement contain the entire agreement between the parties with respect to the employment of Executive by Company and supersede all prior and contemporaneous agreements, representations and understandings of the parties with respect to the subject matter contained herein and therein, including any Agreement between Executive and Company or any of its affiliates and subsidiaries.

c. Modification and Waiver. No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by executive and a duly authorized representative of Company. A waiver of any term or condition of this agreement shall not be construed as a general waiver by Company.

d. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of California, excluding its conflicts-of-laws or choice-of-law provisions.

e. Binding Effect. Is hereby agreed that Executive's rights and obligations under this Agreement are personal and not assignable. This agreement shall be binding upon and inure to the benefit of, the heirs, personal representatives, successors and assigns of the parties; subject, however, to the restrictions on assignment contained herein.

f. Arbitration/Dispute Resolution. Company and Executive express expressly agree that, except for disputes arising out of alleged violations related to proprietary inventions and confidential information, all disputes arising out of this Agreement shall be resolved by arbitration in accordance with the following provisions. Either party must demand in writing such arbitration within one hundred and twenty (120) days after the controversy arises by sending a notice to arbitrate to both the other party and to the American Arbitration Association ("AAA"). The controversy shall then be arbitrated, pursuant to the rules promulgated by the AAA (the "Rules"), in the state of California. The parties will select by mutual agreement the arbitrator or arbitrators to herein resolve the controversy; provided, however, that, the parties cannot mutually agree as to the arbitrator, then the arbitrator shall be selected by the AAA in accordance with the Rules. The arbitrator's decision shall be final and binding on the parties and shall bar any suit, action or proceeding instituted in any federal, state or local courts for administrative tribunal. Notwithstanding the preceding sentence, the arbitrator's judgment may be entered in any court of competent jurisdiction. Disputes arising under the sections for compensation and termination upon compensation may be litigated and injunctive relief sought in any court having jurisdiction over the subject matter of such dispute.

g. Survival. The provisions of the sections related to Compensation Upon Termination, Proprietary Inventions and Confidential Information and the General Provisions shall survive any termination of this agreement.

In witness whereof, parties have executed this agreement as of the date first above written.

AXONICS MODULATION TECHNOLOGIES, INC.

By: /s/ Raymond W. Cohen
Name: Raymond W. Cohen
Title: Chief Executive Officer

EXECUTIVE

By: /s/ Rinda Sama
Name: Rinda Sama
Title: VP Operations, Quality & Regulatory Affairs

Exhibit 10.26

SECURED FULL RECOURSE PROMISSORY NOTE

Principal Amount: U.S. [ ] **Issuance Date: _____, 201__**

_____, an individual (the "**Maker**"), for value received, hereby promises to pay to the order of AXONICS MODULATION TECHNOLOGIES, INC., a Delaware corporation (the "**Holder**"), or to the Holder's registered assigns, the principal amount set forth above, together with accrued and unpaid interest, on or before the Maturity Date (as defined in Section 1 below) as provided herein. This Secured Full Recourse Promissory Note (the "**Note**") is being tendered by Maker to Holder pursuant to that certain Stock Option Agreement, of even date herewith, by and between Maker and Holder (the "**Purchase Agreement**"), and is issued as consideration for the purchase by Maker of _____ (____) shares (the "**Shares**") of Common Stock of Holder pursuant to the Purchase Agreement.

1. Maturity Date. The principal amount of this Note, together with any accrued and unpaid interest (computed in accordance with Section 2 below), shall be paid in full upon the first to occur of any of the following events (the "**Maturity Date**"): (i) upon any sale or other disposition of all or any portion of the Shares (including Holder's repurchase of such Shares); (ii) upon termination of the Maker's "Continuous Service" (as defined in the Holder's 2014 Stock Incentive Plan) for any reason whatsoever; (iii) the latest date when repayment must be made in order to prevent a violation of §13(k) of the Securities Exchange Act of 1934, as amended; or (iv) the five (5) year anniversary of the date of this Note. On the Maturity Date, the Maker shall pay to the Holder, at the Holder's principal place of business or at such other place as the Holder may direct, an amount in cash representing any outstanding principal and accrued and unpaid interest, and the Holder shall surrender this Note to Maker upon request and receipt of all payments required under this Note. All payments made under this Note shall be made in the lawful tender of the United States of America by check or by wire transfer to an account designated by Holder. In the event that the Maker only disposes of a portion of the Shares, the sales proceeds shall be applied to the unpaid principal sum and accrued interest under this Note to the extent required by the Stock Pledge Agreement, on even date herewith, by and among the Maker and the Holder (the "**Pledge Agreement**").

2. Interest. The unpaid principal balance of this Note shall bear interest at a rate equal to 4.5 % per annum[1], simple interest, from the date hereof until paid in full. All interest hereunder shall be calculated based on a 365-day year and paid for the actual number of days elapsed until the unpaid balance of this Note is paid in full. All accrued and unpaid interest shall be payable in full on the Maturity Date. Notwithstanding the foregoing, the rate of interest payable under this Note from time to time shall in no event exceed the maximum rate, if any, permissible under applicable law.

3. Prepayment. The Maker may prepay, in whole or in part, the outstanding principal and accrued interest under this Note without penalty. Any such payment shall be made by tender to the Holder of funds by check or wire transfer.

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[1] Based on the federal interest rates for direct unsubsidized federal student loans and new mortgage loans as of June 5, 2014.

4. Security Interest. Payment of this Note is secured by all of the real, personal, tangible and intangible property and assets of the Maker (collectively, the "**Collateral**") including, but not limited to, the Shares as provided in a Pledge Agreement (of which the Holder shall have a first-priority security interest in all of the Shares). The Maker hereby pledges and grants to Holder a continuing security interest in all of its right, title, and interest in the Collateral to secure performance of the Maker's obligations under this Note.

5. Repurchase. In the event the Holder at any time exercises its Repurchase Right pursuant to Section 4 of the Purchase Agreement or its right of first refusal pursuant to Section 5 of the Purchase Agreement, the Maker shall make a payment under this Note in an amount equal to the aggregate gross proceeds received from the Company for the Shares being repurchased at such time.

6. Defaults and Remedies.

(a) Events of Default. An "**Event of Default**" shall occur if:

(i) the Maker shall default in the payment of the principal and interest of this Note, when and as the same shall become due and payable and shall not have cured such default within ten (10) business days of the due date;

(ii) the Maker shall commit a breach of or default under the Purchase Agreement, any other provision of this Note, or the Pledge Agreement;

(iii) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (a) relief in respect of the Maker, or of a substantial part of his or her property or assets, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal or state bankruptcy, insolvency, receivership or similar law, or (b) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Maker, or for a substantial part of his or her property or assets; and such proceeding or petition shall continue undismissed for sixty (60) days, or an order or decree approving or ordering any of the foregoing shall be entered; or

(iv) the Maker shall (a) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal or state bankruptcy, insolvency, receivership or similar law, (b) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in paragraph (iii) of this Section 6(a), (c) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Maker, or for a substantial part of his or her property or assets, (d) file an answer admitting the material allegations of a petition filed against him or her in any such proceeding, (e) make a general assignment for the benefit of creditors, (f) become unable, admit in writing his inability or fail generally to pay his or her debts as they become due or (g) take any action for the purpose of effecting any of the foregoing.

(b) Remedies.

(i) Upon the occurrence of any Event of Default hereunder, Holder shall have all the legal and equitable rights and remedies available to it under this Note and applicable law, including, without limitation, (i) full recourse against the Collateral, and (ii) the right to declare all or

part of the principal and accrued and unpaid interest under this Note immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are expressly waived in Section 9 below. THE MAKER ACCEPTS AND AGREES THAT THIS NOTE IS A FULL RECOURSE NOTE AND THAT THE HOLDER MAY EXERCISE ANY AND ALL LEGAL AND/OR EQUITABLE REMEDIES AVAILABLE TO IT UNDER APPLICABLE LAW.

(ii) The remedies of Holder as provided herein, or at law or in equity, shall be cumulative and concurrent, and may be pursued singly, successively, or together at the sole discretion of Holder, and may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

7. Release and Termination. Upon payment in full of the outstanding principal balance of the Note and all accrued and unpaid interest thereon, Holder shall promptly execute and deliver to the Maker such documents, instruments, termination statements and releases as shall be requested by the Maker in order to terminate and discharge all of the liens, security interests and encumbrances created by or pursuant to this Note.

8. Loss, Etc., of Note. Upon receipt of evidence satisfactory to the Maker of the loss, theft, destruction or mutilation of this Note, and of indemnity reasonably satisfactory to the Maker if lost, stolen or destroyed, and upon surrender and cancellation of this Note if mutilated, and upon reimbursement of the Maker's reasonable incidental expenses, the Maker shall execute and deliver to the Holder a new Note of like date, tenor and denomination.

9. Waiver. The Maker hereby waives presentment, demand, notice of nonpayment, protest and all other demands and notices in connection with the delivery, acceptance, performance or enforcement of this Note. If an action is brought for collection under this Note, the Holder shall be entitled to receive all costs of collection, including, but not limited to, its reasonable attorneys' fees.

10. Notices. All notices or other communications required or permitted hereunder shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified; (ii) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not, then on the next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the address set forth opposite below or at such other address(es) as Maker or Holder may designate by ten (10) days advance written notice to the other party hereto.

If to the Maker: _____

_____

_____

If to Holder: Axonics Modulation Technologies
7575 Irvine Center Drive, Suite 200
Irvine, CA 92618
Attention: General Counsel

11. Transferability. This Note evidenced hereby may not be pledged, sold, assigned or transferred except in compliance with applicable federal and state securities laws. Any pledge, sale, assignment or transfer in violation of the foregoing shall be null and void.

12. Successors and Assigns. Subject to Section 11, all of the covenants, stipulations, promises, and agreements in this Note shall bind and inure to the benefit of the parties' respective successors and assigns, whether so expressed or not.

13. Amendments. The provisions of this Note may not be waived, altered, amended or repealed, in whole or in part, except with the written consent of the Maker and the Holder.

14. Applicable Law. This Note shall be governed by the laws of the State of California, and the laws of such state (other than conflicts of laws principles) shall govern the construction, validity, enforcement and interpretation hereof, except to the extent federal laws otherwise govern the validity, construction, enforcement and interpretation hereof.

15. Attorneys' Fees. In the event that any dispute among the parties to this Note should result in litigation, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Note, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

16. Payment of Collection, Enforcement and Other Costs. If (a) this Note is placed in the hands of an attorney or other agent for collection or enforcement or is collected or enforced through any legal proceeding or the Holder otherwise takes action to collect amounts due under this Note or to enforce the provisions of this Note or (b) there occurs any bankruptcy, reorganization, receivership of the Company or other proceedings affecting Maker's creditors' rights and involving a claim under this Note, then the Maker shall pay the costs incurred by the Holder for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, but not limited to, financial advisory fees and attorneys' fees and disbursements.

17. Severability. If one or more provisions of this Note are held to be unenforceable under applicable law, such provision shall be excluded from this Note and the balance of the Note shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

[Signature Page Follows]

IN WITNESS WHEREOF, Maker has caused this Note to be duly executed as of the Issuance Date set forth above.

[name]

Exhibit 10.27

STOCK PLEDGE AGREEMENT

THIS STOCK PLEDGE AGREEMENT (the "**Pledge Agreement**") is entered into as of _____ __, 20__, by and between _____, an individual ("**Pledgor**"), and Axonics Modulation Technologies, Inc., a Delaware corporation (the "**Secured Party**").

RECITALS

A. Concurrently with the execution and delivery of this Pledge Agreement, Pledgor has executed and delivered a Secured Full Recourse Promissory Note of even date herewith in the principal amount of _____ ($_____) (the "**Note**") in connection with Pledgor's purchase of _____ (_____) shares of Common Stock (the "**Shares**") of the Secured Party pursuant to a Restricted Stock Purchase Agreement of even date herewith (the "**Purchase Agreement**"). Capitalized terms used but not defined herein shall have the meanings set forth in the Purchase Agreement.

B. The Secured Party and Pledgor desire to secure performance of Pledgor's obligations and indebtedness under the Note.

AGREEMENT

1. Grant of Security Interest. Pledgor confirms, pledges and grants to the Secured Party a security interest in all of his or her right, title, and interest in the property described in Section 2 below (collectively and severally, the "**Collateral**"), to secure performance of the Obligations (as defined below).

2. Collateral. The Collateral consists of the following:

(a) The Shares, together with all new, substituted and additional securities issued at any time during the term hereof with respect to the Shares (collectively and severally, the "**Pledged Shares**");

(b) All now existing and hereafter arising rights of the holder of Pledged Shares with respect thereto all distributions, dividends or monies of any kind or nature payable with respect to the Pledged Shares; and

(c) All Proceeds of the foregoing Collateral.

For purposes of this Pledge Agreement, the term "**Proceeds**" includes whatever is receivable or received when the Collateral is sold, collected, exchanged or otherwise disposed of (including, without limitation, by way of distribution upon dissolution or merger of the Secured Party), whether such disposition is voluntary or involuntary, and includes, without limitation, all rights to payment, including return premiums, with respect to any insurance relating thereto.

3. Obligations. The obligations ("**Obligations**") secured by this Pledge Agreement shall consist of any and all obligations and indebtedness of Pledgor under the Note and under this Pledge Agreement.

4. Administration of the Pledged Shares. The following provisions shall govern the administration of the Pledged Shares:

(a) Concurrently with the execution of this Pledge Agreement, Pledgor shall deliver the certificates representing the Pledged Shares, together with one or more duly executed stock assignments separate from certificate, and such items shall be held during the term of this Pledge Agreement by the Secured Party.

(b) Until there shall have occurred a default under the Note, Pledgor shall be entitled to vote or consent with respect to the Pledged Shares in any manner not inconsistent with this Pledge Agreement, or any document or instrument delivered or to be delivered pursuant to or in connection herewith. If there shall have occurred and be continuing a default under the Note and the Secured Party shall have notified Pledgor that the Secured Party desires to exercise its proxy rights with respect to all or a portion of the Pledged Shares, Pledgor grants to the Secured Party an irrevocable proxy for the Pledged Shares pursuant to which proxy the Secured Party shall be entitled to vote or consent, in its discretion, and in such event Pledgor agrees to deliver to the Secured Party such further evidence of the grant of such proxy as Secured Party may request.

(c) In the event that at any time or from time to time after the date hereof, Pledgor, as record and beneficial owner of the Pledged Shares, shall receive or shall become entitled to receive, any dividends or any other distribution whether in securities or property by way of stock-split, spin-off, split-up or reclassification, combination of shares or the like, or in case of any reorganization, consolidation or merger, and Pledgor, as record and beneficial owner of the Pledged Shares, shall thereby be entitled to receive securities or property in respect to such Pledged Shares, then and in each such case, Pledgor shall deliver to the Secured Party and the Secured Party shall be entitled to receive and retain such securities or property as security for the payment and performance of the Obligations.

5. Default and Remedies. In the event Pledgor defaults in the performance of any of the terms of the Note or the Purchase Agreement, the Secured Party shall have all of the remedies of a secured party under any applicable statute, case, ruling, regulation or law; subject, however, to all permits, orders, consents, rules and regulations under applicable securities law.

6. Release of Collateral. So long as Pledgor is not in breach of any material term or provision of this Pledge Agreement or the Note, the Collateral shall be released to Pledgor upon payment of the Note.

7. Binding Upon Successors. All rights of the Secured Party under this Pledge Agreement shall inure to the benefit of the Secured Party and its successors and assigns, and all obligations of Pledgor shall bind his or her successors and assigns.

8. Notices. All notices or other communications required or permitted hereunder shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified; (ii) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not, then on the next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the address set forth opposite below or at such other address(es) as Pledgor or the Secured Party may designate by ten (10) days advance written notice to the other party hereto.

If to Pledgor: _____

_____

_____

If to Secured Party: Axonics Modulation Technologies
16411 Scientific Way, Suite 200
Irvine, CA 92618-4358
Attention: General Counsel

9. Severability. If any of the provisions of this Pledge Agreement shall be held invalid or unenforceable, this Pledge Agreement shall be construed as if not containing those provisions, and the rights and obligations of the parties hereto shall be construed and enforced accordingly.

10. Choice of Law. This Pledge Agreement shall be construed in accordance with and governed by the laws of the State of California without regard for conflicts of laws or choice of laws principles.

11. Amendments. This Pledge Agreement may not be amended or modified except by a writing signed by each of the parties hereto.

IN WITNESS WHEREOF, the undersigned has duly executed this Stock Pledge Agreement as of the day and year first above written.

PLEDGOR

[Name]

_____

Signature

SECURED PARTY

Axonics Modulation Technologies, Inc.

By: _____

Name: _____

Title: _____

Exhibit 10.28

DEBT FORGIVENESS AGREEMENT AND CANCELLATION OF NOTE

This DEBT FORGIVENESS AGREEMENT AND CANCELLATION OF NOTE (this "Agreement") is made effective as of , 2018 (the "Effective Date") by and between AXONICS MODULATION TECHNOLOGIES, INC. ("Axonics") and ("Executive," and together with Axonics, the "Parties").

WHEREAS, Axonics is the holder of that certain Secured Full Recourse Promissory Note issued by Executive to Axonics and dated as of (the "Note"), under which an aggregate of $ of principal and interest is currently outstanding;

WHEREAS, the Note is secured, pursuant to a Stock Pledge Agreement (the "Pledge Agreement"), by shares of Axonics common stock ("Common Stock") owned by Executive;

WHEREAS, Axonics has determined to forgive the remaining balance of principal and interest due under the Note in accordance with the terms of this Agreement;

WHEREAS, upon forgiveness of the remaining balance due under the Note, Executive will recognize income for tax purposes, and will owe withholding taxes in the amount of $ (the "Taxes");

WHEREAS, the Common Stock has been valued by Vantage Point Advisors to be $ per share in a 409A valuation report dated as of (the "Valuation Report"); and

WHEREAS, Executive has agreed to tender shares of Common Stock (the "Tax Shares") to Axonics in satisfaction of Executive's obligations with respect to the Taxes, and Axonics has agreed to accept the Tax Shares, valued according to the Valuation Report.

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

1. Axonics hereby waives, forgives, and cancels all remaining obligations owed by Executive to Axonics under the Note and, in connection therewith, the Note is hereby cancelled, voided, and of no further force or effect. In addition, the Parties agree and acknowledge that the Pledge Agreement is hereby terminated in its entirety.

2. Executive shall tender the Tax Shares to Axonics as soon as administratively practicable after the Effective Date.

3. The Parties hereby represent and warrant to each other that this Agreement constitutes the valid and binding obligation of each of the Parties. Furthermore, Axonics hereby represents and warrants to Executive that Axonics is the lawful owner and holder of the Note, and that Axonics has not transferred, assigned, or otherwise conveyed or alienated any of Axonics' right, title, or interest in or to the Note.

4. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns.

5. This Agreement is intended for the benefit of the Parties and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other person or entity.

6. The transactions contemplated by this Agreement may give rise to "wages" or other income subject to withholding. Executive expressly acknowledges that Executive's rights hereunder are subject to Executive (a) tendering the Tax Shares to Axonics as soon as administratively practicable after the Effective Date and (b) paying to Axonics in cash (or by such other means as may be acceptable to Axonics in its sole discretion) as soon as administratively practicable after the Effective Date all other taxes required to be withheld. Executive authorizes Axonics to withhold such amounts due hereunder from any payments otherwise owed to Executive, but nothing in this sentence will be construed as relieving Executive of any liability for satisfying Executive's obligation under the preceding provisions of this Section 6. In no event will Axonics be liable for any tax, interest, or penalty that may be imposed on Executive under the Internal Revenue Code of 1986, as amended (the "Code") or damages for failing to comply with the Code.

7. Each of the Parties shall execute and deliver, or cause to be executed and delivered, any and all such other instruments and shall take all actions as may be necessary to effect the transactions contemplated by this Agreement.

8. This Agreement shall be construed, and the rights and obligations of the Parties under this Agreement shall be determined, in accordance with the internal laws of the State of California, without application of any state's conflict of laws principles.

9. Each part of this Agreement is intended to be severable. If any term, covenant, condition, or provision of this Agreement is unlawful, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect the remaining provisions of this Agreement, which shall remain in full force and effect and shall be binding upon the Parties.

10. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes any and all prior agreements, representations, and understandings of the Parties, written or oral. The terms of this Agreement shall not be modified or amended except by subsequent written agreement of the Parties. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, when taken together, shall constitute one and the same instrument.

[Signature page follows.]

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

AXONICS MODULATION TECHNOLOGIES, INC.

Sign name: _____

Print name:

Title:

EXECUTIVE

Sign name: _____

Print name:

Exhibit 10.29

DEBT FORGIVENESS AGREEMENT AND CANCELLATION OF NOTE

This DEBT FORGIVENESS AGREEMENT AND CANCELLATION OF NOTE (this "Agreement") is made effective as of _____, 2018 by and between AXONICS MODULATION TECHNOLOGIES, INC. ("Axonics") and _____ ("Executive," and together with Axonics, the "Parties").

WHEREAS, Axonics is the holder of that certain Secured Full Recourse Promissory Note issued by Executive to Axonics and dated as of _____ (the "Note"), under which an aggregate of $_____ of principal and interest is currently outstanding;

WHEREAS, the Note is secured by the shares of the Company's Common Stock owned by the Executive pursuant to a Stock Pledge Agreement (the "Pledge Agreement"); and

WHEREAS, Axonics has determined to forgive the remaining balance of principal and interest due under the Note in accordance with the terms of this Agreement.

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

1. Axonics hereby waives, forgives, and cancels all remaining obligations owed by Executive to Axonics under the Note and, in connection therewith, the Note is hereby cancelled, voided, and of no further force or effect. In addition, the Parties agree and acknowledge that the Pledge Agreement is hereby terminated in its entirety.

2. The Parties hereby represent and warrant to each other that this Agreement constitutes the valid and binding obligation of each of the Parties. Furthermore, Axonics hereby represents and warrants to Executive that Axonics is the lawful owner and holder of the Note, and that Axonics has not transferred, assigned, or otherwise conveyed or alienated any of Axonics' right, title, or interest in or to the Note.

3. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns.

4. This Agreement is intended for the benefit of the Parties and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other person or entity.

5. The transactions contemplated by this Agreement may give rise to "wages" or other income subject to withholding. Executive expressly acknowledges that Executive's rights hereunder are subject to Executive promptly paying to Axonics in cash (or by such other means as may be acceptable to Axonics in its sole discretion) all taxes required to be withheld. Executive authorizes Axonics to withhold such amounts due hereunder from any payments otherwise owed to Executive, but nothing in this sentence will be construed as relieving Executive of any liability for satisfying Executive's obligation under the preceding provisions of this Section 5. In no event will Axonics be liable for any tax, interest, or penalty that may be imposed on Executive under the Internal Revenue Code of 1986, as amended (the "Code") or damages for failing to comply with the Code.

6. Each of the Parties shall execute and deliver, or cause to be executed and delivered, any and all such other instruments and shall take all actions as may be necessary to effect the transactions contemplated by this Agreement.

7. This Agreement shall be construed, and the rights and obligations of the Parties under this Agreement shall be determined, in accordance with the internal laws of the State of California, without application of any state's conflict of laws principles.

8. Each part of this Agreement is intended to be severable. If any term, covenant, condition, or provision of this Agreement is unlawful, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect the remaining provisions of this Agreement, which shall remain in full force and effect and shall be binding upon the Parties.

9. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes any and all prior agreements, representations, and understandings of the Parties, written or oral. The terms of this Agreement shall not be modified or amended except by subsequent written agreement of the Parties. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed as of the date first above written.

AXONICS MODULATION TECHNOLOGIES, INC.

Sign name: _____

Print name:

Title:

EXECUTIVE

Sign name: _____

Print name:

Exhibit 10.30

FOURTH AMENDED AND RESTATED SHARE EXCHANGE AGREEMENT

This FOURTH AMENDED AND RESTATED SHARE EXCHANGE AGREEMENT (this "Agreement"), is dated as of June 30, 2017, by and between Axonics Modulation Technologies, Inc., a Delaware corporation, (the "Company"); Biodiscovery 4 FCPR, a fund managed by Edmond de Rothschild Investment Partners ("Biodiscovery"); and Coöperatieve Gilde Healthcare IV U.A. ("Gilde"). Each of the parties to this Agreement is individually referred to herein as a "Party" and collectively, as the "Parties," and each of Biodiscovery and Gilde are individually referred to herein as an "Investor" and collectively as the Investors.

RECITALS

WHEREAS, the Company, Biodiscovery and certain other investors are parties to a (i) Series A Preferred Stock Purchase Agreement, dated as of March 14, 2014, as amended (the "Series A Purchase Agreement"), (ii) Series B-1 and Series B-2 Preferred Stock Purchase Agreement, dated as of December 4, 2015 (the "Series B Purchase Agreement"), and (iii) Series C Preferred Stock Purchase Agreement, dated as of the date hereof (the "Series C Purchase Agreement");

WHEREAS, in order to induce the Investors to purchase shares of Series C Preferred Stock of the Company, par value $0.0001 per share (the "Series C Shares"), and invest funds in the Company pursuant to the Series C Purchase Agreement, the Company and the Investors have agreed to a structure whereby each Investor is, concurrently with its entry into this Agreement, investing ten percent (10%) of its investment directly into the Company and ninety percent (90%) of its investment in the Company through Axonics Europe, S.A.S., a French *société par actions simplifiée* ("FrenchCo");

WHEREAS, in connection with the Series A Purchase Agreement, Biodiscovery subscribed to an issuance of 4,532,846 ordinary shares (the "FrenchCo A Shares");

WHEREAS, in connection with the Series B Purchase Agreement, Biodiscovery subscribed to an issuance of 4,084,694 ordinary shares (the "FrenchCo B-1 Shares") as well as an additional 2,436,670 ordinary shares (the "FrenchCo B-2 Shares");

WHEREAS, in connection with the Series C Purchase Agreement, Biodiscovery subscribed to a new issuance of 490,677 ordinary shares (the "Biodiscovery FrenchCo C Shares", and together with the FrenchCo A Shares, FrenchCo B-1 Shares and FrenchCo B-2 Shares, the "Biodiscovery FrenchCo Shares");

WHEREAS, in connection with the Series C Purchase Agreement, Gilde separately shall subscribe as of the applicable Closing to a new issuance of 1,499,999 ordinary shares, (the "Gilde FrenchCo C Shares", and together with the Biodiscovery FrenchCo C Shares where the context requires, the "French Co C Shares");

WHEREAS, pursuant to the Third Amended and Restated Share Exchange Agreement, dated as of April 28, 2017, by and between the Company and Biodiscovery (the "Prior Agreement"), the Company granted Biodiscovery, amongst other things, an option to exchange the FrenchCo A Shares for Series A Preferred Stock of the Company, par value

$0.0001 per share (the "Series A Shares"), an option to exchange the FrenchCo B-1 Shares for Series B-1 Preferred Stock of the Company, par value $0.0001 per share (the "Series B-1 Shares"), an option to exchange the FrenchCo B-2 Shares for Series B-2 Preferred Stock of the Company, par value $0.0001 per share (the "Series B-2 Shares") and an option to exchange the Biodiscovery FrenchCo C Shares subscribed to by Biodiscovery for Series C Preferred Stock of the Company, par value $0.0001 per share (the "Biodiscovery Series C Shares" and together with the Series A Shares, the Series B-1 Shares and the Biodiscovery Series C Shares, the "Biodiscovery Series Shares"); and

WHEREAS, this Agreement amends and restates the terms of the Prior Agreement to add Gilde as an additional Investor with the option to exchange its FrenchCo C Shares for Series C Preferred Stock of the Company, par value $0.0001 per share ("Gilde Series C Shares"), all as more fully set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Share Exchange.

1.1. Series A Preferred Exchange. Subject to the terms and conditions of this Agreement, Biodiscovery shall have the option (the "Series A Preferred Option") to contribute and exchange the FrenchCo A Shares, free and clear of all pledges, liens, charges, claims, encumbrances, security interests and other similar rights of other persons or entities (collectively, the "Liens"), in exchange for Series A Shares, free and clear of all Liens (the "Series A Preferred Exchange"). The Investor may exercise the Series A Preferred Option, at any time and in whole or in part in one or more transactions, by delivery of a duly executed *ordre de mouvement* for the FrenchCo A Shares to the Company at its principal office, accompanied by Biodiscovery's written statement specifying that it intends to exercise the Series A Preferred Option.

1.2. Series B-1 Preferred Exchange. Subject to the terms and conditions of this Agreement, Biodiscovery shall have the option (the "Series B-1 Preferred Option") to contribute and exchange the FrenchCo B-1 Shares, free and clear of all Liens, in exchange for Series B-1 Shares, free and clear of all Liens (the "Series B-1 Preferred Exchange"). The Investor may exercise the Series B-1 Preferred Option, at any time and in whole or in part in one or more transactions, by delivery of a duly executed *ordre de mouvement* for the FrenchCo B-1 Shares to the Company at its principal office, accompanied by Biodiscovery's written statement specifying that it intends to exercise the Series B-1 Preferred Option.

1.3. Series B-2 Preferred Exchange. Subject to the terms and conditions of this Agreement, Biodiscovery shall have the option (the "Series B-2 Preferred Option") to contribute and exchange the FrenchCo B-2 Shares, free and clear of all Liens, in exchange for Series B-2 Shares, free and clear of all Liens (the "Series B-2 Preferred Exchange"). The Investor may exercise the Series B-2 Preferred Option, at any time and in whole or in part in one or more transactions, by delivery of a duly executed *ordre de mouvement* for the

FrenchCo B-2 Shares to the Company at its principal office, accompanied by Biodiscovery's written statement specifying that it intends to exercise the Series B-2 Preferred Option.

1.4. Series C Preferred Exchange—Biodiscovery. Subject to the terms and conditions of this Agreement, Biodiscovery shall have the option (a "Series C Preferred Option" and together with the Series A Preferred Option, the Series B-1 Preferred Option, and the Series B-2 Preferred Option, an "Option") to contribute and exchange the Biodiscovery FrenchCo C Shares, free and clear of all Liens, in exchange for Series C Shares, free and clear of all Liens (a "Series C Preferred Exchange"). Biodiscovery may exercise its Series C Preferred Option, at any time and in whole or in part in one or more transactions, by delivery of a duly executed *ordre de mouvement* for the Biodiscovery FrenchCo C Shares to the Company at its principal office, accompanied by the Biodiscovery's written statement specifying that it intends to exercise its Series C Preferred Option. Notwithstanding any contrary provision of this Agreement or any other agreement between the parties, Biodiscovery shall have the right and option to unilaterally exercise its Series C Preferred Option at any time and in its sole discretion without reference to any exercise or other act or omission of Gilde.

1.5. Series C Preferred Exchange—Gilde. Subject to the terms and conditions of this Agreement, Gilde shall have the option (a "Series C Preferred Option" or "Option") to contribute and exchange the Gilde FrenchCo C Shares, free and clear of all Liens, in exchange for Series C Shares, free and clear of all Liens (also a "Series C Preferred Exchange"). Gilde may exercise its Series C Preferred Option, at any time and in whole or in part in one or more transactions, by delivery of a duly executed *ordre de mouvement* for the Gilde FrenchCo C Shares to the Company at its principal office, accompanied by the Investor's written statement specifying that it intends to exercise its Series C Preferred Option and the number of Gilde FrenchCo C Shares subject to such exercise. Notwithstanding any contrary provision of this Agreement or any other agreement between the parties, Gilde shall have the right and option to unilaterally exercise its Series C Preferred Option at any time and in its sole discretion without reference to any exercise or other act or omission of Biodiscovery.

1.6. Preferred Exchange Ratio.

1.6.1. FrenchCo A Shares. Upon the exercise of the Series A Preferred Option in whole or in part, Biodiscovery shall be entitled to receive, for each FrenchCo A Share, such amount of Series A Shares equal to (i) the per share subscription price by Biodiscovery for the FrenchCo A Shares (the "FrenchCo A Share Subscription Price") at the First Initial Closing (as defined in the Series A Purchase Agreement) divided by (ii) the per share purchase price of the Series A Shares at the First Initial Closing, which shall be $20.00 per share (the "Series A Preferred Exchange Ratio"), subject to adjustments as provided in Section 1.8. The Series A Preferred Option may only be exercised with respect to a whole number of Series A Shares. No fractional shares shall be issuable upon exercise of the Series A Preferred Option, and if the number of Series A Shares to be issued in accordance with the Series A Preferred Exchange Ratio is other than a whole number, the Company shall pay to Biodiscovery an amount in cash equal to the fair market value of the resulting fractional share on the exercise date. It is hereby agreed that the FrenchCo A Share Subscription Price, in United States dollars, is $1.37 per €1 and shall not vary based upon currency exchange rates in effect after the date hereof. For the avoidance of doubt, it is specified that if the Series A

Preferred Option were exercised immediately following the First Initial Closing, Biodiscovery would receive, in accordance with the Series A Preferred Exchange Ratio, 310,500 Series A Shares.

1.6.2. FrenchCo B-1 Shares. Upon the exercise of the Series B-1 Preferred Option in whole or in part, Biodiscovery shall be entitled to receive, for each FrenchCo B-1 Share, such amount of Series B-1 Shares equal to (i) the per share subscription price by Biodiscovery for the FrenchCo B-1 Shares (the "FrenchCo B-1 Share Subscription Price") at the Initial Closing (as defined in the Series B Purchase Agreement) divided by (ii) the per share purchase price of the Series B-1 Shares at the Initial Closing, which shall be $7.20 per share (the "Series B-1 Preferred Exchange Ratio"), subject to adjustments as provided in Section 1.8. The Series B-1 Preferred Option may only be exercised with respect to a whole number of Series B-1 Shares. No fractional shares shall be issuable upon exercise of the Series B-1 Preferred Option, and if the number of Series B-1 Shares to be issued in accordance with the Series B-1 Preferred Exchange Ratio is other than a whole number, the Company shall pay to Biodiscovery an amount in cash equal to the fair market value of the resulting fractional share on the exercise date. It is hereby agreed that the FrenchCo B-1 Share Subscription Price, in United States dollars, is $1.06 per €1 and shall not vary based upon currency exchange rates in effect after the date hereof. For the avoidance of doubt, it is specified that if the Series B-1 Preferred Option were exercised immediately following the Initial Closing, Biodiscovery would receive, in accordance with the Series B-1 Preferred Exchange Ratio, 604,560 Series B-1 Shares.

1.6.3. FrenchCo B-2 Shares. Upon the exercise of the Series B-2 Preferred Option in whole or in part, Biodiscovery shall be entitled to receive, for each FrenchCo B-2 Share, such amount of Series B-2 Shares equal to (i) the per share subscription price by Biodiscovery for the FrenchCo B-2 Shares (the "FrenchCo B-2 Share Subscription Price") at the applicable Closing (as defined in the Series B Purchase Agreement) divided by (ii) the per share purchase price of the Series B-2 Shares at the applicable Closing, which shall be $8.00 per share (the "Series B-2 Preferred Exchange Ratio"), subject to adjustments as provided in Section 1.8. The Series B-2 Preferred Option may only be exercised with respect to a whole number of Series B-2 Shares. No fractional shares shall be issuable upon exercise of the Series B-2 Preferred Option, and if the number of Series B-2 Shares to be issued in accordance with the Series B-2 Preferred Exchange Ratio is other than a whole number, the Company shall pay to Biodiscovery an amount in cash equal to the fair market value of the resulting fractional share on the exercise date. It is hereby agreed that the FrenchCo B-2 Share Subscription Price, in United States dollars, is $1.06 per €1 and shall not vary based upon currency exchange rates in effect after the date hereof. For the avoidance of doubt, it is specified that if the Series B-2 Preferred Option were exercised immediately following the applicable Closing, Biodiscovery would receive, in accordance with the Series B-2 Preferred Exchange Ratio, 323,437 Series B-2 Shares.

1.6.4. Biodiscovery FrenchCo C Shares. Upon the exercise of its Series C Preferred Option in whole or in part, Biodiscovery shall be entitled to receive, for each Biodiscovery FrenchCo C Share, such amount of Series C Shares equal to (i) the per share subscription price by Biodiscovery for the FrenchCo C Shares (the "Biodiscovery FrenchCo C Share Subscription Price") at the applicable Closing (as defined in the Series C Purchase Agreement) divided by (ii) the per share purchase price of the Series C Shares at the applicable Closing, which shall be $9.00 per share (the "Biodiscovery Series C Preferred

Exchange Ratio" and together with the Series A Preferred Exchange Ratio, the Series B-1 Preferred Exchange Ratio, and the Series B-2 Preferred Exchange Ratio, the "Biodiscovery Exchange Ratios"), subject to adjustments as provided in Section 1.8. The Series C Preferred Option may only be exercised with respect to a whole number of Series C Shares. No fractional shares shall be issuable upon exercise of the Biodiscovery Series C Preferred Option, and if the number of Series C Shares to be issued in accordance with the Biodiscovery Series C Preferred Exchange Ratio is other than a whole number, the Company shall pay to Biodiscovery an amount in cash equal to the fair market value of the resulting fractional share on the exercise date. It is hereby agreed that the Biodiscovery FrenchCo C Share Subscription Price, in United States dollars, is $1.07 per €1 and shall not vary based upon currency exchange rates in effect after the date hereof. For the avoidance of doubt, it is specified that if the Biodiscovery Series C Preferred Option were exercised immediately following the applicable Closing, Biodiscovery would receive, in accordance with the Series C Preferred Exchange Ratio, 490,677 Series C Shares.

1.6.5. Gilde FrenchCo C Shares. Upon the exercise of its Series C Preferred Option in whole or in part, Gilde shall be entitled to receive, for each Gilde FrenchCo C Share subject to such exercise, such amount of Series C Shares equal to (i) the per share subscription price by Gilde for the FrenchCo C Shares (the "Gilde FrenchCo C Share Subscription Price") at the applicable Closing (as defined in the Series C Purchase Agreement) divided by (ii) the per share purchase price of the Series C Shares at the applicable Closing, which shall be $9.00 per share (the "Gilde Series C Preferred Exchange Ratio"), subject to adjustments as provided in Section 1.8. The Series C Preferred Option may only be exercised with respect to a whole number of Series C Shares. No fractional shares shall be issuable upon exercise of the Gilde Series C Preferred Option, and if the number of Series C Shares to be issued in accordance with the Gilde Series C Preferred Exchange Ratio is other than a whole number, the Company shall pay to Gilde an amount in cash equal to the fair market value of the resulting fractional share on the exercise date. It is hereby agreed that the Gilde FrenchCo C Share Subscription Price, in United States dollars, is $1.12 per €1 as of the date of this Agreement and shall not vary based upon currency exchange rates in effect after the date hereof. For the avoidance of doubt, it is specified that if the Gilde Series C Preferred Option were exercised as of the date of this Agreement, Gilde would receive, in accordance with the Gilde Series C Preferred Exchange Ratio, 1,499,999 Series C Shares.

1.7. Certificates. Upon the exercise of an Option by an Investor, the Company shall deliver to the Investor within five (5) business days a stock certificate or certificates representing the Securities (as defined below) issued to the Investor in connection with the exercise of an Option, together with cash, in lieu of any fraction of a Series A Share, Series B-1 Share, Series B-2 Share, or Series C Share, as applicable.

1.8. Adjustments. The number and series of the Biodiscovery Series Shares and the Gilde Series C Preferred Shares issuable upon exercise of the Options (the "Securities") and the Exchange Ratios shall be subject to adjustment from time to time upon the happening of certain events, as follows; provided, that if more than one subsection of this Section 1.8 is applicable to a single event, the subsection shall be applied that produces the largest adjustment and no single event shall cause an adjustment under more than one subsection of this Section 1.8 so as to result in duplication:

1.8.1. Dividends, Distributions, Stock Splits or Combinations. If the Company shall at any time or from time to time after the date hereof (a) make or issue, or fix a record date for the determination of holders of the securities entitled to receive, a dividend or other distribution payable in additional shares of securities, evidence of indebtedness, assets, cash, rights or warrants, (b) subdivide its outstanding securities into a larger number of securities or (c) combine its outstanding securities into a smaller number of the securities, then and in each such event the Exchange Ratios then in effect and the number of the Securities issuable upon exercise of the applicable Option or Options shall be appropriately adjusted to preserve the Exchange Ratios set forth in Section 1.6 hereof.

1.8.2. Merger, Reclassification or Reorganization. If securities of the Company shall be changed into the same or different number of securities of the Company, whether by capital reorganization, recapitalization, reclassification, consolidation, merger or otherwise (other than a subdivision or combination of shares or stock dividend provided for in Section 1.8.1 above, or pursuant to a Liquidation (as defined in the Fourth Amended and Restated Certificate of Incorporation of the Company, as amended from time to time (the "Charter")), then and in each such event the applicable Investor shall be entitled to receive upon the exercise of its Option or Options the kind and amount of Securities and property receivable upon such reorganization, recapitalization, reclassification, consolidation, merger or other change to which a holder of the number of the Securities issuable upon the exercise of its Option or Options would have received if such Option or Options had been exercised immediately prior to such reorganization, reclassification or other change, all subject to further adjustment as provided herein.

1.8.3. Notice of Adjustments and Record Dates. The Company shall promptly notify the applicable Investor in writing of each adjustment or readjustment of the Exchange Ratios and the number of shares of the Securities issuable upon the exercise of the Options. Such notice shall state the adjustment or readjustment and show in reasonable detail the facts on which that adjustment or readjustment is based. In the event of any taking by the Company of a record of the holders of the Securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, the Company shall notify the Investor in writing of such record date at least ten (10) days prior to the date specified therein.

1.8.4. Other Events. For so long as the applicable Investor or its affiliate(s) hold an Option or any portion thereof, if any event occurs as to which the provisions of this Section 1.8 are not strictly applicable or, if strictly applicable, would not, in the good faith judgment of the board of directors of the Company (the "Board of Directors"), fairly and adequately protect the Exchange Ratios of the respective Options in accordance with the essential intent and principles of such provisions, then the Board of Directors shall make such adjustments in the application of such provisions, in accordance with such essential intent and principles, as shall be reasonably necessary, in the good faith opinion of the Board of Directors, to protect such Exchange Ratios. The Exchange Ratios or the number of the Securities into which the respective Options are exercisable shall not be adjusted in the event of a change in the par value of any securities or a change in the jurisdiction of incorporation of the Company.

1.8.5. No Impairment. The Company will not, by amendment of its Charter or through any reorganization, transfer of assets, consolidation, merger, dissolution,

issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all of the provisions of the Options and in taking of all such action as may be necessary or appropriate in order to protect the rights of the Investor.

1.9. Automatic Exercise Upon Liquidation or IPO. Upon a Liquidation or a sale of the Company's Common Stock or other securities in the Company's first underwritten public offering pursuant to an effective registration statement under the Securities Act (as defined below) (an "IPO"), the Series A Preferred Option, the Series B-1 Preferred Option, the Series B-2 Preferred Option, and the Biodiscovery Series C Preferred Option and the Gilde Series C Preferred Option respectively shall automatically be deemed to be exercised in full and exchanged by the applicable Investor for the Securities in the manner set forth in this Section 1, without any further action on behalf of such Investor, immediately prior to the closing of such Liquidation or IPO. The Company agrees to provide written notice to each Investor at least five (5) days prior to the occurrence of the Liquidation or IPO. The aggregate number of Series A Shares, Series B-1 Shares, Series B-2 Shares, and Series C Shares to be so issued to the applicable Investor respectively upon the automatic exercise of the Series A Preferred Option, the Series B-1 Preferred Option, Series B-2 Preferred Option, and Biodiscovery Series C Preferred Option and the Gilde Series C Preferred Option under this Section 1.9 shall be equal to the number of Series A Shares, Series B-1 Shares, Series B-2 Shares, and Series C Shares the applicable Investor would have held if it had invested all of its commitment initially in the Company, respectively.

2. Securities Laws. None of the Biodiscovery Series Shares or the Gilde Series C Shares or the FrenchCo Shares have been registered under the Securities Act of 1933, as amended ("Securities Act"), or any state securities laws ("Blue Sky Laws"). They have been acquired for investment purposes and not with a view to distribution or resale and may not be sold or otherwise transferred without (i) an effective registration statement for such securities under the Securities Act and such applicable Blue Sky Laws, or (ii) an opinion of counsel, which shall be reasonably satisfactory to the issuer and its counsel, that registration is not required under the Securities Act or under any applicable Blue Sky Laws. The certificates representing such securities shall bear, in addition to any other legend required by applicable law, all of the same legends as applicable to the Securities issued pursuant to the Series A Purchase Agreement, the Series B Purchase Agreement, and the Series C Purchase Agreement.

3. Representations and Warranties.

3.1. Representations and Warranties of each Investor. Each Investor hereby represents and warrants to the Company, severally but not jointly, as follows as of the date hereof:

3.1.1. Organization; Power and Authority. The Investor is duly organized, validly existing and in good standing under the laws of France (in the case of Biodiscovery) and the Netherlands (in the case of Gilde), and has all requisite power and authority to own, lease, and operate its property and assets, and carry on its business as it is now being conducted.

3.1.2. Due Execution; Effect of Agreement. The Investor has the requisite power and authority to enter into this Agreement and to carry out the transactions

contemplated hereby. This Agreement has been duly executed and delivered by the Investor and constitutes the legal, valid and binding obligation of the Investor, enforceable against the Investor in accordance with its terms.

3.1.3. Consents.

(a) The execution, delivery and performance of this Agreement by the Investor and the consummation of the transactions contemplated hereby by the Investor and the compliance by the Investor with the provisions hereof and thereof, will not, with or without the giving of notice or the passage of time (or both), (i) constitute a violation of the organizational documents of the Investor, (ii) conflict with, result in the breach of, constitute a default under, or give rise to a right of acceleration or termination under any material agreement, lease, mortgage, note, bond, indenture, or other instrument or undertaking, oral or written, to which the Investor is a party or by which the Investor's properties or assets are or may be bound, (iii) constitute a violation of any governmental law, ordinance, rule or regulation or violate any term or provision of any order, writ, judgment, injunction or decree of any court, governmental authority, commission, board, bureau, agency, instrumentality or arbitrator, applicable or relating to the Investor's business or (iv) terminate or adversely affect any transferable governmental permit, license or authorization used or required by the Investor for the operation of its business as currently conducted.

(b) No consent, approval or authorization of, exemption by, or filing with, any governmental or regulatory authority or any third party is required in connection with the execution, delivery and performance by the Investor of this Agreement, except for consents, approvals, authorizations, exemptions and filings, if any, which have been obtained.

3.1.4. Compliance with Applicable Laws; Litigation. The Investor is not engaging in any activity or omitting to take any action as a result of which the Investor is in violation of any law, rule, regulation, ordinance, statute, order, injunction or decree, or any other requirement of any court or governmental or administrative body or agency, applicable to the Investor's business. The Investor is not subject to any pending or threatened litigation.

3.1.5. Full Disclosure. None of the information supplied by the Investor herein contains any untrue statement of a material fact or omits to state a material fact required to be stated herein or necessary in order to make the statements herein, in light of the circumstances under which they are made, not misleading.

4. Certain Additional Covenants and Agreements.

4.1. Reservation of Sufficient Securities. The Company covenants and agrees that all Securities will, upon issuance and payment therefor, be legally and validly issued and outstanding, fully paid and nonassessable, free from all Liens. The Company shall at all times reserve and keep available for issuance upon the exercise of the Series A Preferred Option, Series B-1 Preferred Option, Series B-2 Preferred Option and Series C Preferred Option, such number of authorized but unissued Series A Shares, Series B-1 Shares, Series B-2 Shares, and Series C Shares, respectively, as will be sufficient to permit the exercise in full of each such Option of each Investor.

4.2. Costs and Expenses. The Company and the Investor will each respectively pay all its own expenses incurred in connection with this Agreement and the transactions contemplated hereby. In addition, the Investor shall bear the cost of any transfer taxes (*droits d'enregistrement*) due under the laws of France upon exercise of each Option, if and when applicable.

5. Miscellaneous.

5.1. Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given: (i) upon personal delivery to the Party being notified, (ii) when sent by confirmed electronic mail if sent during normal business hours of the receiving Party; if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery with written verification of receipt. All communications shall be sent to the respective Parties at the addresses set forth on each respective Party's signature page hereto.

5.2. Successors and Assigns. This Agreement shall bind and inure to the benefit of the Parties hereto and their respective successors and permitted assigns. No Party shall assign its rights or obligations under this Agreement to any third party without the prior written consent of the other Parties, which consent shall not be unreasonably withheld.

5.3. Governing Law. This Agreement shall be governed by, interpreted under and construed and enforced in accordance with, the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

5.4. Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto.

5.5. Amendment. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument signed by each of the Investors and the Company.

5.6. Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Investor and the Company shall be entitled to specific performance under this Agreement. The Parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations described in the foregoing sentence and hereby agrees to waive in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.7. Severability. In the event that any provision of this Agreement is determined to be invalid, illegal or unenforceable in any respect and for any reason, the validity, legality and enforceability of any such provision in every other respect, and the remaining provisions of this Agreement shall not, at the election of the Party for whose benefit the provision exists, in any way be impaired.

5.8. Counterparts. This Agreement may be executed in two or more counterparts, and by facsimile or other electronic transmission, each of which when so executed and delivered shall be deemed an original, but all of which taken together shall constitute but one and the same original.

5.9. No Third Party Beneficiaries. The agreements included herein, and otherwise made between the Parties hereto as part of this transaction, are solely the obligation of, and for the benefit of, the Parties hereto, and there shall be no third party beneficiary of any of the warranties, representations or covenants made in this Agreement or any of the other agreement between the Parties hereto as part of this transaction.

5.10. Prior Agreement. Upon the execution hereof by the Company and the Investor, this Agreement shall amend, restate and supersede the Prior Agreement, such that the Prior Agreement shall be of no further force or effect.

[**Signature Page Follows**]

IN WITNESS WHEREOF, the parties have executed this Fourth Amended and Restated Share Exchange Agreement as of the day and year first above written.

BIODISCOVERY 4 FCPR

By: Edmond de Rothschild Investment Partners, its manager

By: /s/ Raphael Wisniewski
Name: Raphael Wisniewski
Title: Partner

Address:

47 rue du Faubourg Saint-
Honore 75401 Paris Cedex 08
France

AXONICS MODULATION TECHNOLOGIES, INC.

By: /s/ Raymond Cohen
Name: Raymond Cohen
Title: Chief Executive

Address:

7575 Irvine Center Drive
Irvine, California 92618 USA

COÖPERATIEVE GILDE HEALTHCARE IV U.A.

By:	/s/ Marc Olivier Perret	/s/ Pieter van der Meer
Name:	Marc Olivier Perret	Pieter van der Meer
Title:	Managing Partner	Managing Partner

Address:

Newtonlaan 91
3508AB – Utrecht
The Netherlands

Exhibit 16.1

petersonsullivan LLP

October 5, 2018

U.S. Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549

Commissioners:

We have read the section under the heading “Changes in and Disagreements with Accountants on Accounting and Financial Disclosure” included in the Registration Statement on Form S-1 of Axonics Modulation Technologies, Inc. to be filed on or about October 5, 2018 and are in agreement with the statements contained therein concerning our firm.

We hereby consent to the filing of this letter as an exhibit to the foregoing Form S-1.

Sincerely,

/S/ PETERSON SULLIVAN LLP

Seattle, Washington

Exhibit 21.1

AXONICS MODULATION TECHNOLOGIES, INC.

LIST OF SUBSIDIARIES

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Axonics Europe, S.A.S.	France
Axonics Modulation Technologies, U.K. Limited	England and Wales
Axonics Modulation Technologies Australia Pty Ltd	Australia

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

Axonics Modulation Technologies, Inc.
Irvine, California

We hereby consent to the use in the prospectus constituting a part of this registration statement of our report dated October 5, 2018, relating to the consolidated financial statements of Axonics Modulation Technologies, Inc., which is contained in that prospectus.

We also consent to the reference to us under the caption “Experts” in the prospectus.

/s/ BDO USA, LLP
Costa Mesa, California

October 5, 2018

Exhibit 99.1

CONSENT OF DIRECTOR NOMINEE

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the Registration Statement on Form S-1 (the "Registration Statement") of Axonics Modulation Technologies, Inc. (the "Company"), the undersigned hereby consents to being named and described as a person who will become a director in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

Dated: October 3, 2018

/s/ Robert E. McNamara
Robert E. McNamara