UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended April 30, 2017

OR

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

Commission File Number 001-36830

KalVista Pharmaceuticals, Inc.

(Exact name of Registrant as specified in its Charter)

Delaware	**20-0915291**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
One Kendall Square Building 200, Suite 2203 Cambridge, Massachusetts	**02139**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (857) 999-0075

Title of Each Class	**Name of Exchange on Which Registered**
Common Stock, $0.001 par value per share	**The NASDAQ Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act: **None**

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

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES ☐NO ☒

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

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

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

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The aggregate market value of common stock held by non-affiliates of the registrant calculated based on the closing price of $7.34 (as adjusted to reflect the 1 for 14 reverse split that occurred on November 21, 2016) of the registrant's common stock as reported on The NASDAQ Global Market on October 31, 2016, the last business day of the registrant's most recently completed second quarter, was $11,607,447.

The number of shares of Registrant's Common Stock outstanding as of July 1, 2017 was 9,713,042.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Definitive Proxy Statement for its 2017 Annual Meeting of Stockholders ("Proxy Statement"), to be filed within 120 days of the Registrant's fiscal year ended April 30, 2017, is incorporated by reference into Part III of this Annual Report on Form 10-K.

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PART I

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements. All statements other than statements of historical fact are "forward-looking statements" for purposes of this Annual Report on Form 10-K. These forward-looking statements may include, but are not limited to, statements regarding our future results of operations and financial position, business strategy, market size, potential growth opportunities, timing and results of preclinical and clinical development activities, and potential regulatory approval and commercialization of product candidates. In some cases, forward looking-statements may be identified by terminology such as "believe," "may," "will," "should," "predict," "goal," "strategy," "potentially," "estimate," "continue," "anticipate," "intend," "could," "would," "project," "plan," "expect," "seek" and similar expressions and variations thereof. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in the "Risk Factors" section and elsewhere in this Annual Report on Form 10-K. Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. 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 any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

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, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this report to conform these statements to actual results or to changes in our expectations, except as required by law.

As used in this Annual Report on Form 10-K, the terms "KalVista," "the Company," "we," "us," and "our" refer to KalVista Pharmaceuticals, Inc. and, where appropriate, its consolidated subsidiary, unless the context indicates otherwise.

Item 1. Business.

Overview

We are a clinical stage pharmaceutical company focused on the discovery, development and commercialization of small molecule protease inhibitors. Our first product candidates are inhibitors of plasma kallikrein being developed for two indications: hereditary angioedema ("HAE") and diabetic macular edema ("DME"). We apply our insights into the chemistry of proteases and, with our current programs, the biology of the plasma kallikrein system, to develop molecules with properties such as selectivity, potency and bioavailability that we believe will make them successful treatments for disease.

There is good evidence that inhibition of plasma kallikrein is able to treat HAE. Currently marketed therapies are all administered by injection and we anticipate considerable potential for orally delivered, small molecule treatments. In the case of DME, we are initially developing a plasma kallikrein inhibitor which is administered directly into the eye but anticipate ultimate development of orally delivered drugs. To achieve these aims we are advancing several proprietary product candidates into clinical trials. We began a first-in-human clinical trial of our first oral HAE candidate, KVD818, in the third calendar quarter of 2016 and plan to advance our lead DME candidate for intravitreal injection, KVD001, to Phase 2 trials later this year. We are currently progressing additional oral HAE candidates through preclinical studies and plan to take at least one of those into the clinic in 2017 and an additional program in 2018, in keeping with our strategy of developing a portfolio of molecules to yield a best-in-class therapy.

HAE is a rare and potentially life-threatening condition with symptoms that include episodes of debilitating and often painful swelling in the skin, gastrointestinal tract or airways. Prior clinical studies, including those for another currently marketed therapy have shown that inhibition of plasma kallikrein is a proven target in the treatment of HAE. A conveniently administered oral product could provide an opportunity to capture a significant portion of the current market and expand it to patients with less frequent HAE attacks.

We believe that HAE is a clinical indication and market that can be served by a focused commercial organization because there are a limited number of primary prescribers and active patient-focused disease organizations for this rare disease, which has a prevalence of between approximately 1 in 50,000 and 1 in 65,000 people. We intend to develop a portfolio of orally-delivered molecules, with the goal of providing a best-in-class therapeutic for this indication. For this reason, we anticipate advancing multiple molecules to early stage clinical trials, only selecting those that will be advanced further once we have sufficient data to allow comparisons of the molecules based upon a matrix of key criteria that we believe best reflect the unmet needs of patients with this disease.

DME is the leading cause of moderate vision loss in most developed countries and diabetes, the underlying cause of DME, is the leading cause of blindness among adults aged 20 to 74 years old, according to 2014 statistics published by the Center for Disease and Prevention. Our DME program is initially focused on the development of an intravitreally administered small molecule plasma kallikrein inhibitor. We believe intravitreal plasma kallikrein inhibitors may be an effective complementary therapy to vascular endothelial growth factor ("VEGF") inhibitors and further improve visual acuity and decrease macular thickening. Preclinical pharmacokinetic studies have shown that direct injection into the eye delivers a high drug concentration at the desired site of action. The drug concentration is maintained for a prolonged period with a low systemic exposure, potentially supporting an extended dosing schedule. With our most advanced compound, KVD001, we have successfully completed a first-in-human trial in patients with DME and are planning for a multiple injection Phase 2 trial that we intend to commence later in 2017. In addition to KVD001, we also plan to develop an oral plasma kallikrein inhibitor to treat DME. An oral treatment may provide the opportunity to reduce treatment burden, treat patients earlier in disease development, and provide a convenient and readily accessible treatment option for DME.

Strategy

Key elements of our strategy include:

- *Apply our deep scientific expertise in the area of serine proteases to develop novel oral therapies for indications with high unmet need.* Our core scientific team has decades of experience working on protease inhibitors and developing compounds with high potency, selectivity and bioavailability. We have assembled a team of chemists and biologists who have demonstrated the ability to design and formulate multiple drug candidate programs from a broad variety of chemical classes, as indicated by our extensive intellectual property portfolio. Our initial focus is specifically on development of plasma kallikrein inhibitors for HAE and DME; however, we believe our scientific capabilities also can be applied to other proteases to develop therapies for diseases with high unmet need and orphan indications.
- *Advance multiple HAE product candidates into clinical development.* We intend to develop a best-in-class oral therapy for HAE and, to accomplish that goal, we plan to bring multiple drug candidates into clinical trials and compare their performance before determining which program, or programs, to advance to late stage development. Our first oral candidate, KVD818, is currently in Phase 1 clinical trials. We are conducting preclinical development of multiple additional drug candidates and plan to continue to advance those that meet our strict internal development criteria. We anticipate bringing one additional candidate into clinical development this year and at least one additional candidate in 2018.
- *Continue to advance our intravitreal DME program and develop an oral therapy.* KVD001, our first product candidate to treat DME, has already been advanced into clinical trials and is anticipated to begin a Phase 2 trial later in 2017. We also intend to develop an oral therapy for this indication, which we believe could dramatically improve the standard of care for patients, since all current therapies are currently delivered by injection into the eye.

- *Grow our capabilities internally as well as through strategic partnerships.* We intend to retain ownership and control of our pipeline programs to key milestones. For certain indications that can be addressed by a focused organization, such as HAE, we may determine to keep all program rights and develop capabilities such as sales and marketing capabilities. For programs that address larger markets or require greater infrastructure or resources, such as DME, we may seek a partner that can provide those capabilities. Decisions on whether, and when, to engage in partnerships or collaborations will be based upon our evaluations of the relative risks and rewards of those collaborations at each point in the development cycle.

Plasma Kallikrein in HAE and DME

Plasma kallikrein is a serine protease enzyme that is a key early mediator of inflammation and edema or swelling. The body modulates the inflammatory effects of plasma kallikrein through a circulating inhibitor protein called C1-esterase inhibitor ("C1-INH"). Patients with HAE have genetic mutations that lead to either a deficiency or non-functioning of C1-INH, which results in an inability to control activated plasma kallikrein in affected tissues. This excessive activation leads to inflammation, edema, and pain.

Published laboratory work has shown that the eye is also a site of increased plasma kallikrein in DME. In diabetic patients, the retina is one of a few tissues in which edema develops. Under normal circumstances the eye is protected from the diffusion of plasma proteins by an effective barrier. In diabetes this barrier becomes less effective and allows plasma kallikrein to enter the eye. While C1-INH will also be able to enter by the same route, animal models of DME have shown that the concentration of C1-INH in the vitreous fluid is insufficient to fully suppress the effects of plasma kallikrein on retinal edema. Over time, this edema leads to retinal damage that causes blindness.

Hereditary Angioedema

Disease Overview

HAE is a rare and potentially life-threatening genetic condition that occurs in between about 1 in 50,000 to 1 in 65,000 people, according to multiple population-based epidemiological investigations. Excessive plasma kallikrein activation not sufficiently controlled by C1 inhibition leads to the typical HAE attack. HAE attacks include episodes of intense swelling or edema usually in the skin, gastrointestinal tract or airways. They often lead to temporary disfiguration of various body parts including the hands, feet, face, body trunk, and genitals. In addition, patients often have bouts of excruciating abdominal pain, nausea and vomiting that is caused by swelling in the intestinal wall. Airway swelling is particularly dangerous and can lead to death by asphyxiation.

Most attacks occur spontaneously, with no apparent reason. However, anxiety, stress, minor trauma, surgery, or illnesses such as colds are often cited as prodromal events. Trauma to the oral cavity caused by dental procedures makes HAE patients particularly vulnerable to airway attacks. The frequency of HAE attacks is highly variable, with some patients having attacks several times per week and others very infrequently. Although life-threatening airway swelling is rare, at least half of HAE patients have experienced at least one such attack and airway attacks remain a major cause of mortality in HAE patients. The severity of attacks is unpredictable and not related to their underlying frequency. A patient with only one attack per year can nevertheless be at risk of suffering a laryngeal attack.

HAE is caused primarily by genetic defects or mutations in the gene that regulates C1inhibition and is an autosomal dominant disease meaning that a defect in only one copy of the gene leads to symptoms and that it occurs at similar rates in both males and females. While HAE can result through inheritance of a defective C1-INH gene from a parent, a number of cases also arise from novel mutations.

C1-INH is a natural plasma-borne peptide that functions as an inhibitor of multiple serine proteases in both the complement and kallikrein kinin systems. C1-INH is the predominant physiological inhibitor of plasma kallikrein, and thereby suppresses the generation of bradykinin, a potent hormone produced by plasma kallikrein, that activates its receptors on blood vessels to increase vascular leakage. Uncontrolled plasma kallikrein activity leads to the tissue inflammation and edema that are the hallmarks of HAE. As such, plasma kallikrein is a clinically validated target for HAE and previous studies have demonstrated that plasma kallikrein inhibition can both treat and prevent HAE attacks.

Current Treatments and Market opportunities

There are a number of marketed therapeutics for HAE which provide evidence that inhibition of plasma kallikrein activity will give therapeutic benefit in HAE. Most relevant is ecallantide (Kalbitor®) which is a small protein inhibitor of plasma kallikrein that is approved for acute attacks of HAE. While effective, ecallantide has been associated with cases of anaphylaxis and its approval by the U.S. Food and Drug Administration ("FDA") includes a black box warning limiting its administration to healthcare professionals. Other therapies employ C1-INH replacement to control plasma kallikrein levels. Cinryze® and Berinert® are purified from human plasma, whereas Ruconest® is a recombinant product. Icatibant (Firazyr®) is a synthetic peptide-based antagonist that blocks the activity of bradykinin. All of these products are administered by injection, which is typically less convenient for patients and has the potential to reduce to compliance. We believe that a safe and effective oral agent has the potential to transform treatment for this disease. We also believe that opportunities exist for both acute and prophylaxis treatments, and intend to consider all of our programs as potential therapies in both segments of the market. For this reason, we plan to evaluate multiple formulations and profiles of our programs as part of our clinical development strategy.

Our Portfolio of HAE Programs

KVD818 is the first of our portfolio of orally available plasma kallikrein inhibitors to progress to clinical testing. In common with other candidates it is a potent and selective inhibitor of human plasma kallikrein that displays properties which we believe support its investigation in early clinical trials to assess its suitability to progress to trials in HAE patients. We are currently studying KVD818 in a first-in-human study in the UK that has explored multiple doses and formulations. To date, we have demonstrated that KVD818 achieves exposures in subjects and has been generally well-tolerated. We plan to continue to explore the properties of KVD818 to support decisions on further development as well as to enhance our knowledge of HAE therapy and inform our portfolio strategy.

We are developing additional program candidates in order to expand the universe of properties and increase the likelihood of delivery of a best-in-class treatment for HAE. The first of these additional product candidates is KVD900. Consistent with our strategy of progressing multiple candidates, we are preparing this molecule for clinical testing and plan to have enabled the first-in-human study before the end of the year. KVD900 is a potent inhibitor of plasma kallikrein displaying 50% inhibition with a concentration of 6nM, and shows very high selectivity against related proteases as shown in Table 1 below. Of particular note is that it is >6000 fold selective against tissue kallikrein (also called tissue kallikrein 1 or KLK1). This enzyme shares the same substrate as plasma kallikren and has been linked to effects on cardiac safety, making selectivity against it an important element of our design process.

Enzyme (Human)	Fold selectivity
Tissue Kallikrein	>6000
Factor XIa	>6000
Factor XIIa	>6000
Plasmin	>6000
Thrombin	>6000
Trypsin	>6000

Table 1: Selectivity of KVD900 against human proteases related to plasma kallikrein.

In ongoing preclinical safety studies, KVD900 is rapidly and highly absorbed. In rats, plasma concentrations up to 30,000-fold IC50 have been obtained within one hour following dosing and maintained well above IC50 for at least 24 hours. In addition, in non-animal safety studies to date, KVD900 has shown a profile consistent with progression to clinical studies. For example, the potential for a compound to affect, or be affected by, the dosing of another drug (drug-drug interaction), can be investigated by looking at its impact on the enzymes responsible for metabolizing drugs. In these assays against cytochrome P450 enzymes, KVD900 is >1000 fold less potent than it is against plasma kallikrein.

Manufacture of KVD900 has been completed at the multi-kilogram scale to support preclinical and clinical testing and multiple formulations have been developed, manufactured and dosed to primates establishing the feasibility of manufacture of clinically acceptable dose forms. These dose forms are designed to enable variable dosing regimens.

In parallel with progression of KVD900, we are not only focused on expansion of our proprietary compound portfolio but also our profiling techniques to enable a collection of molecules differentiated by both chemical structure and properties, maximizing the chance of discovering and progressing best-in-class treatments for HAE. Our scientific team has demonstrated the ability to consistently generate new candidate molecules, enabling a rigorous selection process that only advances programs that meet strict internal criteria. As part of this effort, we have developed assays that provide proprietary insights into inhibition of plasma kallikrein, supporting selection of product candidates at an earlier stage that may have a higher likelihood of demonstrating clinical success. A number of these earlier candidates are being profiled for progression to scale-up manufacture and entry into formal safety studies.

Diabetic Macular Edema

Disease Overview

DME occurs as a result of diabetes and is caused by the breakdown of the endothelial barrier function in the retina, resulting in the accumulation of fluid in the macula. This leads to edematous thickening of the macula region of the retina and loss of visual acuity, potentially leading to blindness. DME is a major complication associated with diabetes, affecting an estimated 26% of type 1 diabetic patients after 14 years of the disease, and an estimated 29% within their lifetime; 17% of type 1 diabetic patients were estimated to develop clinically significant macular edema within their lifetime. Approximately 900,000 patients in the United States have active DME and are at serious risk of vision loss, according to a study published in 2015.

The current standard of care for DME in the United States is therapy directed against VEGF, a hypoxia-induced protein that stimulates the growth of blood vessels in the retina. FDA approved anti-VEGF therapies for DME are ranibizumab (Lucentis®) and aflibercept (Eylea®). Both of these products are administered via intravitreal injection at roughly monthly intervals. In addition to these two products, a large fraction of patients is treated with bevacizumab (Avastin®), another therapy that works through the same mechanism of binding to VEGF but has not been approved for ophthalmic use. Bevacizumab is priced based on its application in oncology and off-label use by retinal specialists typically results in treatment at a fraction of the cost seen with both ranibizumab and aflibercept. Patients are also treated with laser therapy in some circumstances.

A number of other drug therapies are used to treat DME, including corticosteroid anti-inflammatories such as triamcinolone acetonide, fluocinolone, and dexamethasone. These drugs also are administered via intravitreal injection. Sustained release versions of fluocinolone (Illuvien®) and dexamethasone (Ozurdex®) have recently been approved for use in DME, substantially reducing the number of injections required to obtain and maintain clinical responses. These novel corticosteroid formulations led to 15-letter improvements in visual acuity in approximately 20-30% of patients. Corticosteroid treatment, however, is associated with a dramatic increase in cataract formation and a rise in intraocular pressure, reducing the attractiveness of these agents as potential therapies in many patients.

In a recent large, multi-center clinical trial in DME patients, anti-VEGF therapy led to approximately 20% of patients improving their visual acuity by 15 letters or more after a median of 9 or 10 intravitreal injections, leaving a significant portion of the patients with inadequate control of their disease. Further, in one study conducted for an approved VEGF inhibitor, 40% of patients displayed no visual improvement following anti-VEGF therapy after months of treatment. Unfortunately, even for those patients that do initially respond well to anti-VEGF therapy, their disease recurs within several months of treatment cessation, thus requiring extended rounds of intravitreal injections to achieve and maintain a clinical response.

Research into the biology underlying DME led by our scientific team has identified plasma kallikrein as a potential novel target for this indication. They found that plasma kallikrein levels were higher in vitreous fluid from DME patients compared to patients without diabetic retinopathy. They further found that targeted disruption of the gene for plasma prekallikrein or the administration of a small molecule plasma kallikrein inhibitor led to decreases

in retinal thickening in animal retinopathy models. We believe that inhibition of plasma kallikrein provides an opportunity to address DME through a novel mechanism that is independent of the current pathways targeted by anti-VEGF and steroid therapies.

Our DME Development Activities

Our first potential DME therapy is KVD001. KVD001 is a potent inhibitor of human plasma kallikrein with an IC50 of approximately 10nM and a high degree of selectivity against a broad range of other proteases. We have developed KVD001 for intravitreal injection because trials using this delivery modality will provide a relatively early and direct proof of concept for its product candidate since the molecule is delivered directly to the site of edema. Since other products such as anti-VEGF therapies are also delivered intravitreally, we believe this will be accepted by both physicians and patients and will not lead to any competitive disadvantages. Another inherent advantage of intravitreal administration is that there is very limited systemic exposure, thus reducing potential systemic safety concerns.

We have completed an open-label single ascending dose Phase 1 trial of KVD001 in 14 DME patients, all of whom had previously received anti-VEGF treatment. This trial investigated three doses of KVD001: 1, 3, and 10 µg/eye. While this trial was not powered to show statistically significant improvements in visual acuity, a pooled analysis of all patients and all doses demonstrates a trend toward improvement over time, with the mean change in visual acuity following a single dose of KDV001 of approximately four letters at 84 days following treatment. No adverse events were considered related to study drug at the low (n=3 patients) or high (n=8 patients) doses. At the mid-dose (n=3 patients) two adverse events were considered related to the study drug although both events were also considered related to study procedures. Those study procedures consist of intravitreal injection, which includes inherent risks such as intraocular inflammation, sterile and culture positive endophthalmitis, corneal decomposition, retinal detachment, and retinal tear. The first of these adverse events was a case of eye inflammation considered of mild intensity and possibly related to study drug and study procedure. The second was a case of increased intraocular pressure considered of severe intensity and related to study procedure and probably related to study drug. These results represent the first investigation of clinical application of plasma kallikrein inhibitors in DME and are an encouraging sign of the potential of KVD001, and plasma kallikrein inhibitors in general, in this indication.

Following this study, we conducted further preclinical testing to enable multiple monthly injections of KVD001, as well as allow concurrent treatment with both KVD001 and anti-VEGF therapies. We believe the ability to provide patients with multiple injections and longer duration of treatment may further enhance efficacy beyond that observed in the single dose Phase 1 trial. We are currently planning a Phase 2 trial of KVD001 administered by intravitreal injection in DME patients that will consist of four injections over a period of three months, and will include a control group. We intend to select patients who have previously been treated with anti-VEGF therapies but have experienced insufficient response. The primary outcome will be an increase in visual acuity following the final injection. We anticipate this trial will last approximately 12 months and currently plan to launch the trial later in 2017.

Potential for Systemic Delivery

In parallel with the clinical development of its intravitreal product candidate KVD001, we intend to identify and advance plasma kallikrein inhibitors as oral therapies for DME. We believe that a safe and effective oral therapy has the potential to transform the treatment of DME which to-date has been dominated by drug therapies that must be injected intravitreally. Future trials in DME with oral kallikrein inhibitors may focus on the treatment of earlier stage disease, a stage at which intravitreal injections are not a desirable solution due to their inherently invasive nature and consequent risk of adverse reactions.

Competition

In HAE, we expect to face competition from several FDA-approved therapeutics, including Cinryze, marketed by Shire in the United States and Europe for the prevention of angioedema attacks in adults and adolescents; Firazyr, marketed by Shire in the United States, Europe and certain other geographic territories for the treatment of acute angioedema attacks in adult patients; Kalbitor, an injectable plasma kallikrein inhibitor marketed by Shire for the resolution of acute attacks in adolescent and adult HAE patients; Berinert and Haegarda, marketed by CSL Behring

for the prophylaxis and treatment of acute abdominal, facial or laryngeal attacks of HAE in adults and adolescents; and Ruconest, marketed by Pharming Group for the treatment of acute angioedema attacks in adult patients. We are also aware of companies that are engaged in the clinical development of other product candidates, including a plasma kallikrein monoclonal antibody (SHP643, from Shire) and an oral plasma kallikrein inhibitor (BCX7353, from Biocryst Pharmaceuticals) for the treatment of HAE patients.

In DME, we expect to face competition from several FDA-approved therapeutics, including anti-VEGF therapies Lucentis, marketed by Roche and Novartis, Eylea, marketed by Regeneron, and off label use of Avastin from Roche. We also face competition from various corticoid steroids including extended release formulations lluvien, marketed by Alimera, and Ozurdex, marketed by Allergan. We further expect to compete with generic corticosteroids such as acetonide, fluocinolone, and dexamethasone and we are aware of a number of other companies that have product candidates in early clinical trials, including Novartis, GlaxoSmithKline, Boehringer Ingelheim, Roche, Regeneron, Ohr Pharmaceutical, Aerpio Therapeutics, Verseon, Thrombogenics and Allegro Ophthalmics. Verseon and Thrombogenics are also developing plasma kallikrein inhibitors for the treatment of DME by either topical administration (Verseon) or intravitreal injection (Thrombogenics).

Intellectual Property

Our success substantially depends on our ability to obtain and maintain patents and other forms of intellectual property rights for our product candidates, methods used to manufacture our product candidates and methods for treating patients using our product candidates, as well as our ability to preserve our trade secrets, to prevent third parties from infringing upon our proprietary rights and to operate without infringing upon the proprietary rights of others. As of April 30, 2017, we are the owner of five U.S. patents expiring between 2023 and 2034, absent any extensions, as well as four pending U.S. patent applications and five pending U.S. provisional applications. Any patents issuing from the foregoing owned or licensed U.S. applications are expected to expire in 2034, absent any adjustments or extensions. As of April 30, 2017, we owned a total of 89 pending foreign applications and 89 patents in multiple jurisdictions. Any issued patents, or those issuing from these foreign patent applications, are expected to expire between 2023 and 2037, absent any adjustments or extensions. As of April 30, 2017, we also controlled three pending international applications that, if issued, are expected to expire in 2035, absent any adjustments or extensions. The chemical structures of KVD001 and KVD818 are included in composition of matter applications.

KVD001 is covered by U.S. patents and patent applications covering composition of matter, methods of treatment, solid form and clinical formulations. The anticipated expiration dates of these patents, or patents arising from applications, range from 2032 to 2034, absent any adjustments or extensions.

Our portfolio of oral plasma kallikrein inhibitors, including KVD818 and KVD900, is covered by U.S. patent applications and pending international applications covering composition of matter and methods of treatment and any patents arising from those applications are expected to expire between 2034 to 2035, absent any adjustments or extensions. New U.S. provisional applications directed to solid forms and further compositions of matter were filed in 2016 and 2017.

In addition, we own a portfolio of patents and patent applications not related to the former Carbylan Therapeutics product candidates following the share purchase transaction with KalVista Pharmaceuticals Limited. As of April 30, 2017, this included seven granted U.S. patents expiring between 2028 and 2032, as well as three pending U.S. patent applications which would be expected to expire between 2030 and 2034. Also as of April 30, 2017, this portfolio included 22 pending foreign applications and 31 foreign granted patents.

Patents extend for varying periods according to the date of patent filing or grant and the legal term of patents in various countries where patent protection is obtained. The actual protection afforded by a patent, which can vary from country to country, depends on the type of patent, the scope of its coverage and the availability of legal remedies in the country.

We also use other forms of protection, such as trademark, copyright and trade secret protection for our intellectual property, particularly where we do not believe patent protection is appropriate or obtainable. We require our employees, consultants, contractors and other advisors to execute nondisclosure and assignment of invention

agreements upon commencement of their respective employment or engagement. In addition, we also require confidentiality or service agreements from third parties that receive confidential information or materials.

Government Regulation and Product Approval

Government authorities in the United States, at the federal, state and local level, and in other countries and jurisdictions, including the United Kingdom and European Union, extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, marketing, post-approval monitoring and reporting, and import and export of pharmaceutical products. The processes for obtaining regulatory approvals in the United States and in foreign countries and jurisdictions, along with subsequent compliance with applicable statutes and regulations and other regulatory authorities, require the expenditure of substantial time and financial resources.

FDA approval process

In the United States, pharmaceutical products are subject to extensive regulation by the FDA. The Federal Food, Drug, and Cosmetic Act, and other federal and state statutes and regulations, govern, among other things, the research, development, testing, manufacture, storage, recordkeeping, approval, labeling, promotion and marketing, distribution, post-approval monitoring and reporting, sampling, and import and export of pharmaceutical products. Failure to comply with applicable U.S. requirements may subject a company to a variety of administrative or judicial sanctions, such as clinical hold, FDA refusal to approve pending new drug applications ("NDA"), warning or untitled letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties, and criminal prosecution.

Pharmaceutical product development for a new product or certain changes to an approved product in the United States typically involves preclinical laboratory and animal tests, the submission to the FDA of an Investigational New Drug ("IND"), which must become effective before clinical testing may commence in the United States, and adequate and well-controlled clinical trials to establish the safety and effectiveness of the drug for each indication for which FDA approval is sought. Satisfaction of FDA approval requirements prior to marketing a pharmaceutical product typically takes many years and the actual time required may vary substantially based upon the type, complexity, and novelty of the product or disease.

Preclinical studies include evaluation of product chemistry, formulation and manufacturing process, as well as toxicity studies in animals to assess the characteristics and potential safety and efficacy of the product. The conduct of the preclinical tests must comply with federal regulations and requirements, including good laboratory practices and good manufacturing practice ("cGMP"). The results of preclinical testing are submitted to the FDA as part of an IND along with the information on product chemistry, manufacturing and controls, and a proposed clinical trial protocol. Long term preclinical tests, such as animal tests of reproductive toxicity and carcinogenicity, may continue after the initial IND is "opened" (i.e. effective). For the initial IND submission, a 30-day waiting period after the submission of the IND is required prior to the commencement of the clinical trial in humans. If the FDA has neither commented on nor questioned the IND within this 30-day period, the clinical trial proposed in the IND may begin. For subsequent clinical trial protocols submitted to the IND, there is no mandated review time for FDA. Clinical trials involve the administration of the investigational drug to healthy volunteers or patients under the supervision of a qualified investigator. Clinical trials must be conducted: (i) in compliance with federal regulations; (ii) in compliance with good clinical practice ("GCP"), an international standard designed to protect the rights, safety and well-being of trial subjects and to ensure the integrity of the clinical trial data generated; as well as (iii) under protocols detailing the objectives of the trial, the parameters to be used in monitoring safety, and the effectiveness criteria to be evaluated. Each protocol involving testing on U.S. patients and subsequent protocol amendments must be submitted to the FDA as part of the IND.

The FDA may order the temporary, or permanent, discontinuation of a clinical trial at any time, or impose other sanctions if it believes that the clinical trial either is not being conducted in accordance with FDA requirements or presents an unacceptable risk to the clinical trial patients. The trial protocol and informed consent information for patients in clinical trials must also be submitted to an institutional review board ("IRB"), for approval prior to the start of the clinical trial. An IRB may also order the clinical trial at the site to be halted, either temporarily or permanently, for failure to comply with the IRB's requirements, or may impose other conditions.

Clinical trials to support NDAs for marketing approval are typically conducted in three sequential phases, but the phases may overlap. In Phase 1, the initial introduction of the drug into healthy human subjects or patients, the product is tested to assess metabolism, pharmacokinetics, pharmacological actions, side effects associated with increasing doses, and, if possible, early evidence on effectiveness. Phase 2 usually involves trials in a limited patient population to determine the effectiveness of the drug for a particular indication, optimization of the dose, and to identify common adverse effects and safety risks. If a compound demonstrates evidence of effectiveness and an acceptable safety profile in Phase 2 evaluations, Phase 3 trials are undertaken to obtain the additional information about clinical efficacy and safety in a larger number of patients, typically at geographically dispersed clinical trial sites, to permit the FDA to evaluate the overall benefit risk relationship of the drug and to provide adequate information for the labeling of the product. In most cases, the FDA requires two adequate and well-controlled Phase 3 clinical trials to demonstrate the efficacy of the drug. A single Phase 3 trial with other confirmatory evidence may be sufficient in rare instances where the trial is a large multicenter trial demonstrating internal consistency and a statistically persuasive finding of a clinically meaningful effect on mortality, irreversible morbidity or prevention of a disease with a potentially serious outcome and confirmation of the result in a second trial would be practically or ethically impossible.

After completion of the required clinical testing, an NDA is prepared and submitted to the FDA. FDA approval of the NDA is required before marketing of the product may begin in the United States. The NDA must include the results of all preclinical and clinical data, including pharmacology and toxicology results, and the results of other testing and a compilation of data relating to the product's chemistry, manufacture, and controls. The cost of preparing and submitting a NDA is substantial. The submission of most NDAs is additionally subject to a substantial application user fee, and once approved, the NDA is also subject to annual product and establishment user fees. These fees are typically increased annually. The FDA has 60 days from its receipt of an NDA to determine whether the application will be accepted for filing based on the agency's threshold determination that it is sufficiently complete to permit substantive review. Once the submission is accepted for filing, the FDA begins an in-depth review. The FDA has agreed to certain performance goals in the review of NDAs. Most such applications for standard review drug products are reviewed within ten months of the date the FDA files the NDA; most applications for priority review drugs are reviewed within six months of the date the FDA files the NDA. Priority review can be applied to a drug that the FDA determines has the potential to treat a serious or life-threatening condition and, if approved, would be a significant improvement in safety or effectiveness compared to available therapies. The review process for both standard and priority review may be extended by the FDA for three additional months to consider certain late-submitted information, or information intended to clarify information already provided in the submission.

After the FDA evaluates the NDA and the manufacturing facilities, it issues either an approval letter or a complete response letter. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional testing, or information, in order for the FDA to reconsider the application. If, or when, those deficiencies have been addressed to the FDA's satisfaction, the FDA will issue an approval letter. The FDA has committed to reviewing such additional data in two or six months depending on the type of information included. An approval letter authorizes commercial marketing of the drug with specific prescribing information for the indication being supported. As a condition of NDA approval, the FDA may require a risk evaluation and mitigation strategy ("REMS") if it is considered that additional measures are needed to ensure that the benefits of the drug outweigh the potential risks. REMS can include the use of medication guides and communication plans for healthcare professionals, and elements to assure safe use ("ETASU"). ETASU can include, but are not limited to, special training or certification for prescribing or dispensing, dispensing only under certain circumstances, special monitoring, and the use of patient registries. The requirement for a REMS can materially affect the potential market and profitability of the product. Moreover, a condition of the NDA approval may require substantial post-approval testing and surveillance to monitor the product's safety or efficacy.

Once granted, product approvals may be withdrawn if compliance with regulatory standards is not maintained or problems are identified following initial marketing. Changes to some of the conditions established in an approved application, including changes in indications, labeling, or manufacturing processes or facilities, require submission and FDA approval of a new NDA or NDA supplement before the change can be implemented. An NDA supplement for a new indication typically requires clinical data similar to that in the original application, and the FDA uses the same procedures and actions in reviewing NDA supplements as it does in reviewing NDAs.

Foreign clinical studies to support an NDA

The FDA will accept as support for marketing approval of a product (NDA) well-designed, well-conducted, clinical studies conducted outside of the United States if the studies have been conducted in accordance with the exact same standards of GCP, as required in the United States, and the protocol was submitted to the IND. FDA may validate the data from the study through an onsite inspection, if necessary. Clinical studies conducted outside the United States are subject to the same rigorous regulatory controls as the United States (see "— Europe / rest of world government regulation" below).

A sponsor or applicant who wishes to rely on a non-IND foreign clinical study to support an IND must submit the following supporting information to the FDA to demonstrate that the study conformed to GCP:

- the investigator's qualifications;
- a description of the research facilities;
- a detailed summary of the protocol and study results and, if requested, case records or additional background data;
- a description of the drug substance and drug product, including the components, formulation, specifications, and, if available, the bioavailability of the drug product;
- information showing that the study is adequate and well controlled;
- the name and address of the independent ethics committee that reviewed the study and a statement that the independent ethics committee meets the required definition;
- a summary of the independent ethics committee's decision to approve or modify and approve the study, or to provide a favorable opinion;
- a description of how informed consent was obtained;
- a description of what incentives, if any, were provided to subjects to participate;
- a description of how the sponsors monitored the study and ensured that the study was consistent with the protocol;
- a description of how investigators were trained to comply with GCP and to conduct the study in accordance with the study protocol; and
- a statement on whether written commitments by investigators to comply with GCP and the protocol were obtained.

Orphan drug designation

Under the Orphan Drug Act, the FDA may grant orphan drug designation to drug products intended to treat a rare disease or condition. This is defined as a disease or condition that affects fewer than 200,000 individuals in the United States, or if it affects more than 200,000 individuals in the United States, there is no reasonable expectation that the cost of developing and making a product available in the United States for such disease or condition will be recovered from sales of the product.

A request for orphan drug designation must be submitted and approved prior to submitting an NDA. After the FDA grants orphan drug designation, the generic identity of the drug product and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process of an NDA. The first NDA applicant to receive FDA approval for a drug product containing a particular active moiety to treat a particular disease with FDA orphan drug designation is entitled to a seven-year exclusive marketing period in the United States for that product for that indication. During the seven-year exclusivity period, the FDA may not approve any other applications to market a drug product containing the same active moiety for the same disease, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity. A product is clinically superior if it is safer, more effective or makes a major contribution to patient care. Orphan drug exclusivity does not prevent the FDA from

approving a drug product containing a different active moiety for the same disease or condition, or the same drug product for a different disease or condition. Among the other benefits of orphan drug designation are tax credits for certain research and a waiver of the NDA user fee.

Disclosure of clinical trial information

Sponsors of clinical trials of FDA-regulated products, including drugs, are required to register and disclose certain clinical trial information. Information related to the product, patient population, phase of investigation, trial sites and investigators, and other aspects of the clinical trial is then made public as part of the registration. Disclosure of the results of these trials can be delayed until the new product or new indication being studied has been approved. Competitors may use this publicly available information to gain knowledge regarding the progress of development programs.

Pediatric information

Under the Pediatric Research Equity Act ("PREA") NDAs or supplements to NDAs must contain data to assess the safety and effectiveness of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the drug product is safe and effective. A Pediatric Submission Plan ("PSP") must be submitted to FDA for review at the latest 60 days following the End of Phase 2 meeting. The PSP will include a full pediatric clinical development plan, or a request for full or partial waiver, or a deferral, for conducting pediatric clinical trial data. The FDA reviews and approves the PSP, or will request amendments to the plan. Unless otherwise required by regulation, PREA does not apply to any drug product for an indication for which orphan designation has been granted.

Post-approval requirements

Once an NDA is approved, a product will be subject to certain post-approval requirements. For instance, the FDA closely regulates the post-approval marketing and promotion of drugs, including standards and regulations for direct-to-consumer advertising, off-label promotion, industry-sponsored scientific and educational activities and promotional activities involving the internet. Drugs may be marketed only for the approved indications and in accordance with the provisions of the approved labeling.

Adverse event reporting and submission of periodic reports is required following FDA approval of an NDA. The FDA also may require post-marketing testing, known as Phase 4 testing, REMS, and surveillance to monitor the effects of an approved product, or the FDA may place conditions on an approval that could restrict the distribution or use of the product. In addition, quality control, drug product manufacture, packaging, and labeling procedures must continue to conform to cGMPs after approval. Drug manufacturers and certain of their subcontractors are required to register their establishments with the FDA and certain state agencies. Registration with the FDA subjects entities to periodic unannounced inspections by the FDA, during which the agency inspects manufacturing facilities to assess compliance with cGMPs. Accordingly, manufacturers must continue to expend time, money, and effort in the areas of production and quality-control to maintain compliance with cGMPs. Regulatory authorities may withdraw product approvals or request product recalls if a company fails to comply with regulatory standards, if we encounter problems following initial marketing, or if previously unrecognized problems are subsequently discovered.

Other U.S. healthcare laws and compliance requirements

In the United States, our activities are potentially subject to regulation by various federal, state and local authorities in addition to the FDA, including but not limited to, the Centers for Medicare and Medicaid Services ("CMS"), other divisions of the U.S. Department of Health and Human Services (such as the Office of Inspector General), the U.S. Department of Justice ("DOJ"), and individual U.S. Attorney offices within the DOJ, and state and local governments. For example, sales, marketing and scientific/educational grant programs may have to comply with the anti-fraud and abuse provisions of the Social Security Act, the false claims laws, the privacy and security provisions of the Health Insurance Portability and Accountability Act ("HIPAA"), and similar state laws, each as amended, as applicable.

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

Additionally, the intent standard under the Anti-Kickback Statute was amended by the Patient Protection and Affordable Care Act, ("ACA"), to a stricter standard such that a person or entity no longer needs to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. In addition, the ACA codified case law 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 False Claims Act (discussed below).

The civil monetary penalties statute 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 health program that the person knows or should know is for an item or service that was not provided as claimed or is false or fraudulent.

Federal false claims and false statement laws, including the federal False Claims Act, prohibit, among other things, any person or entity from knowingly presenting, or causing to be presented, a false or fraudulent claim for payment to, or approval by, the federal healthcare programs, including Medicare and Medicaid, 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. As a result of a modification made by the Fraud Enforcement and Recovery Act of 2009, a claim includes "any request or demand" for money or property presented to the U.S. government. Recently, several pharmaceutical and other healthcare companies have been prosecuted under these laws for allegedly providing free product to customers with the expectation that the customers would bill federal programs for the product. Other companies have been prosecuted for causing false claims to be submitted because of the companies' marketing of the product for unapproved, and thus generally non-reimbursable, uses.

HIPAA created additional federal criminal statutes that prohibit, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud or to obtain, by means of false or fraudulent pretenses, representations or promises, any money or property owned by, or under the control or custody of, any healthcare benefit program, including private third-party payors, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up by trick, scheme or device, a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Like the Anti-Kickback Statute, the ACA amended the intent standard for certain healthcare fraud statutes under HIPAA such that a person or entity no longer needs to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

Also, many states have similar fraud and abuse statutes or regulations that apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payor. Additionally, to the extent that any of our products are sold in a foreign country, we may be subject to similar foreign laws.

We may be subject to data privacy and security regulations by both the federal government and the states in which it conducts business. HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, ("HITECH"), and its implementing regulations, imposes requirements relating to the privacy, security and transmission of individually identifiable health information. Among other things, HITECH makes HIPAA's privacy and security standards directly applicable to business associates, independent contractors or agents of

covered entities that receive or obtain protected health information in connection with providing a service on behalf of a covered entity. HITECH also created four new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce HIPAA and seek attorneys' fees and costs associated with pursuing federal civil actions. In addition, many state laws govern the privacy and security of health information in specified circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Additionally, the federal Physician Payments Sunshine Act within the ACA, and its implementing regulations, require that certain manufacturers of drugs, devices, biological and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) report annually to CMS information related to certain payments or other transfers of value made or distributed to physicians and teaching hospitals, or to entities or individuals at the request of, or designated on behalf of, the physicians and teaching hospitals and to report annually certain ownership and investment interests held by physicians and their immediate family members. Moreover, the Drug Supply Chain Security Act imposes new obligations on manufacturers of pharmaceutical products related to product tracking and tracing. Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products.

In order to distribute products commercially, we must comply with state laws that require the registration of manufacturers and wholesale distributors of drug products in a state, including, in certain states, manufacturers and distributors who ship products into the state even if such manufacturers or distributors have no place of business within the state. Some states also impose requirements on manufacturers and distributors to establish the pedigree of product in the chain of distribution, including some states that require manufacturers and others to adopt new technology capable of tracking and tracing product as it moves through the distribution chain. Several states have enacted legislation requiring pharmaceutical and biotechnology companies to establish marketing compliance programs, file periodic reports with the state, make periodic public disclosures on sales, marketing, pricing, clinical trials and other activities, and/or register their sales representatives, as well as to prohibit pharmacies and other healthcare entities from providing certain physician prescribing data to pharmaceutical and biotechnology companies for use in sales and marketing, and to prohibit certain other sales and marketing practices. All of our activities are potentially subject to federal and state consumer protection and unfair competition laws.

If our operations are found to be in violation of any of the federal and state healthcare laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including without limitation, civil, criminal and/or administrative penalties, damages, fines, disgorgement, exclusion from participation in government programs, such as Medicare and Medicaid, injunctions, private "qui tam" actions brought by individual whistleblowers in the name of the government, or refusal to allow us to enter into government contracts, contractual damages, reputational harm, administrative burdens, diminished profits and future earnings, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

Coverage, pricing and reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any product candidates for which we obtain regulatory approval. In the United States and markets in other countries, sales of any products for which it receives regulatory approval for commercial sale will depend, in part, on the extent to which third-party payors provide coverage, and establish adequate reimbursement levels for such products. In the United States, third-party payors include federal and state healthcare programs, private managed care providers, health insurers and other organizations. The process for determining whether a third-party payor will provide coverage for a product may be separate from the process for setting the price of a product or for establishing the reimbursement rate that such a payor will pay for the product. Third-party payors may limit coverage to specific products on an approved list, also known as a formulary, which might not include all of the FDA-approved products for a particular indication. Third-party payors are increasingly challenging the price, examining the medical necessity and reviewing the cost-effectiveness of medical products, therapies and services, in addition to questioning their safety and efficacy. We may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of its products, in addition to the costs required to obtain the FDA approvals. Our product candidates

may not be considered medically necessary or cost-effective. A payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. Further, one payor's determination to provide coverage for a product does not assure that other payors will also provide coverage for the product. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an appropriate return on its investment in product development.

Different pricing and reimbursement schemes exist in other countries. In the EU, governments influence the price of pharmaceutical products through their pricing and reimbursement rules and control of national health care systems that fund a large part of the cost of those products to consumers. Some jurisdictions operate positive and negative list systems under which products may only be marketed once a reimbursement price has been agreed. To obtain reimbursement or pricing approval, some of these countries may require the completion of clinical trials that compare the cost effectiveness of a particular product candidate to currently available therapies. Other member states allow companies to fix their own prices for medicines, but monitor and control company profits. The downward pressure on health care costs has become intense. As a result, increasingly high barriers are being erected to the entry of new products. In addition, in some countries, cross-border imports from low-priced markets exert a commercial pressure on pricing within a country.

The marketability of any product candidates for which we receive regulatory approval for commercial sale may suffer if the government and third-party payors fail to provide adequate coverage and reimbursement. In addition, emphasis on managed care in the United States has increased and it expects will continue to increase the pressure on healthcare pricing. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

Healthcare reform

In March 2010, President Obama enacted the ACA, which has the potential to substantially change healthcare financing and delivery by both governmental and private insurers, and significantly impact the pharmaceutical and biotechnology industry.

Among the ACA provisions of importance to the pharmaceutical industries, in addition to those otherwise described above, are the following:

- an annual, nondeductible fee on any entity that manufactures or imports certain specified branded prescription drugs apportioned among these entities according to their market share in some government healthcare programs that began in 2011;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program, retroactive to January 1, 2010, to 23.1% and 13% of the average manufacturer price for most branded and generic drugs, respectively and capped the total rebate amount for innovator drugs at 100% of the Average Manufacturer Price;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturers' outpatient drugs to be covered under Medicare Part D;
- extension of manufacturers' Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations;
- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to additional individuals beginning in 2014 and by adding new mandatory eligibility categories for individuals with income at or below 133% of the federal poverty level, thereby potentially increasing manufacturers' Medicaid rebate liability;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program;

- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research;
- expansion of healthcare fraud and abuse laws, including the False Claims Act and the Anti-Kickback Statute, new government investigative powers, and enhanced penalties for noncompliance;
- a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted, or injected;
- requirements to report certain financial arrangements with physicians and teaching hospitals; and
- a requirement to annually report certain information regarding drug samples that manufacturers and distributors provide to physicians.

Some of the provisions of the ACA have yet to be implemented, and there have been judicial and Congressional challenges to certain aspects of the ACA. In addition, the current administration and Congress will likely continue to seek legislative and regulatory changes, including repeal and replacement of certain provisions of the ACA. In January 2017, President Trump signed an Executive Order directing federal agencies with authorities and responsibilities under the ACA to waive, defer, grant exemptions from, or delay the implementation of any provision of the ACA that would impose a fiscal or regulatory burden on states, individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices. In March 2017, following the passage of the budget resolution for fiscal year 2017, the U.S. House of Representatives passed legislation known as the American Health Care Act, which, if enacted, would have amended or repealed significant portions of the ACA. We believe the U.S. Senate is unlikely to adopt the American Health Care Act as passed by the U.S. House of Representatives. However, the U.S. Senate could adopt the American Health Care Act as passed by the U.S. House of Representatives or other legislation to amend or replace elements of the ACA. It is uncertain whether the American Health Care Act will become law. We continue to evaluate the effect that the ACA and its possible repeal and replacement has on our business.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. For example, in August 2011, the President signed into law the Budget Control Act of 2011, which, among other things, created the Joint Select Committee on Deficit Reduction to recommend to Congress proposals in spending reductions. The Joint Select Committee on Deficit Reduction did not achieve a targeted deficit reduction of at least $1.2 trillion for fiscal years 2012 through 2021, triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, which went into effect beginning on April 1, 2013 and will stay in effect through 2025 unless additional Congressional action is taken. Additionally, in January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, reduced Medicare payments to several providers, including hospitals and imaging centers. These new laws may result in additional reductions in Medicare and other healthcare funding, which could have a material adverse effect on customers for our products, if approved, and, accordingly, our financial operations.

The Foreign Corrupt Practices Act

The Foreign Corrupt Practices Act ("FCPA") prohibits any U.S. individual or business from paying, offering, or authorizing payment or offering of anything of value, directly or indirectly, to any foreign official, political party or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. The FCPA also obligates companies whose securities are listed in the United States to comply with accounting provisions requiring us to maintain books and records that accurately and fairly reflect all transactions of the corporation, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations.

Additional regulation

In addition to the foregoing, state and federal laws regarding environmental protection and hazardous substances, including the Occupational Safety and Health Act, the Resource Conservancy and Recovery Act and the Toxic Substances Control Act, affect our business. These and other laws govern the use, handling and disposal of

various biological, chemical and radioactive substances used in, and wastes generated by, our operations. If our operations result in contamination of the environment or expose individuals to hazardous substances, we could be liable for damages and governmental fines. We believe that we are in material compliance with applicable environmental laws and that continued compliance therewith will not have a material adverse effect on our business. We cannot predict, however, how changes in these laws may affect our future operations.

Europe / rest of world government regulation

In addition to regulations in the United States, we will be subject to a variety of regulations in other jurisdictions governing, among other things, clinical trials and any commercial sales and distribution of its products. Whether or not we obtain FDA approval of a product, we must obtain the requisite approvals from regulatory authorities in foreign countries prior to the commencement of clinical trials or marketing of the product in those countries. Certain countries outside of the United States have a similar process that requires the submission of a clinical trial application much like the IND prior to the commencement of human clinical trials. In the European Union ("EU"), for example, a clinical trial application must be submitted to each country's national health authority and an independent ethics committee, much like the FDA and IRB, respectively. Once the clinical trial application is approved in accordance with a country's requirements, clinical trial development may proceed. The requirements and process governing the conduct of clinical trials, product licensing, pricing and reimbursement vary from country to country. In all cases, the clinical trials are conducted in accordance with GCP and the applicable regulatory requirements and the ethical principles that have their origin in the Declaration of Helsinki.

To obtain regulatory approval of an investigational drug product under EU regulatory systems, we must submit a marketing authorization application. The application used to file the NDA in the United States is similar to that required in the EU, with the exception of, among other things, country-specific document requirements. For other countries outside of the EU, such as countries in Eastern Europe, Latin America or Asia, the requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary from country to country. In all cases, again, the clinical trials are conducted in accordance with GCP and the applicable regulatory requirements and the ethical principles that have their origin in the Declaration of Helsinki.

If we or our potential collaborators fail to comply with applicable foreign regulatory requirements, we may be subject to, among other things, fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

Other regulations

We are subject to numerous federal, state and local laws relating to such matters as safe working conditions, manufacturing practices, environmental protection, fire hazard control, and disposal of hazardous or potentially hazardous substances. We may incur significant costs to comply with such laws and regulations now or in the future.

Employees

As of April 30, 2017, we had a total of 28 full-time employees, of whom 10 were located in the United States and 18 were located in the United Kingdom. None of our employees are represented by a labor union or covered by a collective bargaining agreement. We have not experienced any work stoppages, and consider our relations with employees to be good.

Corporate Information

We were incorporated in the State of Delaware on March 26, 2004 as Sentrx Surgical, Inc. We changed our name to Carbylan Biosurgery, Inc. on December 14, 2005 and to Carbylan Therapeutics, Inc. on March 7, 2014. In June 2016, we entered into a definitive share purchase agreement, with KalVista Pharmaceuticals Ltd. ("KalVista Limited"), a private company limited by shares incorporated and registered in England and Wales and the shareholders of KalVista Limited, pursuant to which the shareholders of KalVista Limited became the majority owners of the company. We changed our name to KalVista Pharmaceuticals, Inc. on November 21, 2016 in connection with the completion of the share purchase transaction. Our principal executive offices are located at One

Kendall Square, Bld 200, Ste 2203, Cambridge, MA 02139, and our telephone number is (857) 999-0075. Our website address is www.kalvista.com. The information contained on, or that can be accessed through, our website is not a part of this report. We have included our website address in this report solely as an inactive textual reference.

Financial Information

We manage our operations and allocate resources as a single reporting segment. Financial information regarding our operations, assets and liabilities, including our net loss for the years ended April 30, 2017, 2016 and 2015 and our total assets as of April 30, 2017 and 2016, is included in our Consolidated Financial Statements in Item 8 of this Annual Report.

Available Information

We file annual, quarterly, and current reports, proxy statements, and other documents with the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are available on our corporate website at www.kalvista.com. The public may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Also, the SEC maintains an Internet website that contains reports, proxy and information statements, and other information regarding issuers, including us, that file electronically with the SEC. The public can obtain any documents that we file with the SEC at www.sec.gov. The information posted on or accessible through these websites are not incorporated into this filing.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10-K, including the consolidated financial statements, the notes thereto and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Annual Report on Form 10-K before deciding whether to invest in shares of our common stock. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of or that we deem immaterial may also become important factors that adversely affect our business. If any of the following risks actually occur, our business, financial condition, results of operations and future prospects could be materially and adversely affected. In that event, the market price of our stock could decline, and you could lose part or all of your investment.

We have incurred significant losses since our inception. We expect to incur losses over the next several years and may never achieve or maintain profitability.

Since inception, we have incurred significant operating losses as we focused on our discovery efforts and developing our product candidates. We have recently initiated clinical development of our lead product candidates, KVD818, for the treatment of HAE, and KVD001, for the treatment of DME, and expect that it will be many years, if ever, before we have a product candidate ready for commercialization. To date, we have financed our operations primarily through private placements of our preferred stock and through the share purchase transaction with Carbylan Therapeutics. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. We anticipate that our expenses will increase substantially if and as we:

- continue clinical development of our product candidates;
- seek to identify additional product candidates;
- acquire or in-license other products and technologies or enter into collaboration arrangements with regards to product discovery;
- initiate clinical trials for our product candidates;
- seek marketing approvals for our product candidates that successfully complete clinical trials;

- establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain marketing approval;
- maintain, expand and protect our intellectual property portfolio;
- hire additional personnel;
- add operational, financial and management information systems and personnel, including personnel to support our product development and planned future commercialization efforts; and
- incur increased costs as a result of operating as a public company.

To become and remain profitable, we must develop and eventually commercialize a product or products with significant market potential. This will require us to be successful in a range of challenging activities, including completing clinical trials of our product candidates, obtaining marketing approval for these product candidates and manufacturing, marketing and selling those products for which we may obtain marketing approval. We may never succeed in these activities and, even if we do, we may never generate revenues that are significant or large enough to achieve profitability. If we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would decrease the value of our business and could impair our ability to raise capital, maintain our discovery and preclinical development efforts, expand our business or continue our operations and may require us to raise additional capital that may dilute the ownership interest of common stockholders. A decline in the value of our business could also cause stockholders to lose all or part of their investment.

Our short operating history may make it difficult to evaluate the success of our business to date and to assess our future viability.

We are an early stage clinical development company and our operations to date have been limited to organizing and staffing, business planning, raising capital, acquiring and developing the technology, identifying potential product candidates, undertaking preclinical studies and early stage clinical studies of our most advanced product candidates, KVD001, which we are planning to advance into Phase 2 clinical trials, and KVD818, for which we initiated a Phase 1 clinical trial in 2016. We have not yet demonstrated our ability to successfully complete large-scale, pivotal clinical trials, obtain marketing approvals, manufacture a commercial scale product or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful product commercialization. It takes an average of about 10 to 15 years to develop one new medicine from the time it is discovered to when it is available for treating patients. Consequently, any predictions made about our future success or viability based on our short operating history to date may not be as accurate as they could be if we had a longer operating history.

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

We will need substantial additional funding. If we are unable to raise capital when needed, we may need to delay, reduce or eliminate our product development programs or commercialization efforts.

We expect our expenses to increase in parallel with our ongoing activities, particularly as we continue our discovery and preclinical development collaborations to identify new clinical candidates and initiate clinical trials of, and seek marketing approval for, our product candidates. In addition, if we obtain marketing approval for any of our product candidates, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution. Accordingly, we will need to obtain substantial additional funding for our continuing operations. If we are unable to raise capital when needed or on attractive terms, we may be forced to delay, reduce or eliminate our discovery and preclinical development programs or any future commercialization efforts.

Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our technologies or product candidates.

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

We cannot be certain that additional funding will be available on acceptable terms, or at all. If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts.

Risks Related to the Discovery and Development of Our Product Candidates

We are very early in our development efforts and have only two drug candidates, KVD001 and KVD818, in clinical development. If we or our collaborators are unable to successfully develop and commercialize KVD001 or KVD818, or one of our related compounds, or if we experience significant delays in doing so, the business will be materially harmed.

We currently do not have any products that have gained regulatory approval. We have invested substantially all of our efforts and financial resources in identifying potential drug candidates and funding our preclinical and clinical studies. Our ability to generate product revenues, which we do not expect will occur for many years, if ever, will depend heavily on the successful development and eventual commercialization of KVD001, KVD818 and additional similar product candidates. As a result, the business is substantially dependent on our ability to complete the development of and obtain regulatory approval for KVD001 and KVD818.

We have not yet demonstrated an ability to successfully overcome many of the risks and uncertainties frequently encountered by companies in new and rapidly evolving fields, particularly in the biopharmaceutical area. For example, to execute our business plan, we will need to successfully:

- execute KVD001 and KVD818 development activities;
- move other product candidates into development;
- obtain required regulatory approvals for the development and commercialization of KVD001, KVD818 or other product candidates;
- maintain, leverage and expand our intellectual property portfolio;
- build and maintain robust sales, distribution and marketing capabilities, either on our own or in collaboration with strategic partners;
- gain market acceptance for KVD001, KVD818 and other product candidates;
- develop and maintain any strategic relationships we elect to enter into; and
- manage our spending as costs and expenses increase due to drug discovery, preclinical development, clinical trials, regulatory approvals and commercialization.

If we are unsuccessful in accomplishing these objectives, we may not be able to successfully develop and commercialize KVD001, KVD818 or other product candidates, and our business will suffer.

Clinical drug development involves a lengthy and expensive process, with an uncertain outcome. We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.

We have only recently commenced clinical development of our lead product candidates KVD001 and KVD818 and the risk of failure for all of our product candidates is high. Before obtaining marketing approval from regulatory authorities for the sale of any product candidate, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of its product candidates in humans. Clinical testing is expensive, difficult to design and implement and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. Further, the results of preclinical studies and early clinical trials of its product candidates may not be predictive of the results of later-stage clinical trials, and interim results of a clinical trial do not necessarily predict final results. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their products. It is impossible to predict when or if any of our product candidates will prove effective or safe in humans or will receive regulatory approval.

We may experience delays in our clinical trials and we do not know whether planned clinical trials will begin or enroll subjects on time, need to be redesigned or be completed on schedule, if at all. There can be no assurance that the Medicines & Healthcare products Regulatory Agency (the "MHRA"), the U.K. regulatory authority, or U.S. Food and Drug Administration (the "FDA") will not put any of our product candidates on clinical hold in the future. We may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to receive marketing approval or commercialize our product candidates. Clinical trials may be delayed, suspended or prematurely terminated for a variety of reasons, such as:

- delay or failure in reaching agreement with the MHRA, FDA or a comparable foreign regulatory authority on a trial design that we want to execute;
- delay or failure in obtaining authorization to commence a trial or inability to comply with conditions imposed by a regulatory authority regarding the scope or design of a clinical study;
- delays in reaching, or failure to reach, agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites;
- inability, delay, or failure in identifying and maintaining a sufficient number of trial sites, many of which may already be engaged in other clinical programs;
- delay or failure in recruiting and enrolling suitable subjects to participate in a trial;
- delay or failure in having subjects complete a trial or return for post-treatment follow-up;
- clinical sites and investigators deviating from trial protocol, failing to conduct the trial in accordance with regulatory requirements, or dropping out of a trial;
- lack of adequate funding to continue the clinical trial, including the incurrence of unforeseen costs due to enrollment delays, requirements to conduct additional clinical studies and increased expenses associated with the services of its clinical research organizations ("CROs") and other third parties;
- clinical trials of our product candidates may produce negative or inconclusive results, and we may decide, or regulators may require us to conduct additional clinical trials or abandon product development programs;
- the number of patients required for clinical trials of our product candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials at a higher rate than we anticipate;
- we may experience delays or difficulties in the enrollment of patients that our product candidates are designed to target;
- our third party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;

- we may have difficulty partnering with experienced CROs that can identify patients that our product candidates are designed to target and run our clinical trials effectively;
- regulators or institutional review boards ("IRBs") may require that we or our investigators suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks;
- the cost of clinical trials of our product candidates may be greater than we anticipate;
- the supply or quality of our product candidates or other materials necessary to conduct clinical trials of our product candidates may be insufficient or inadequate; or
- there may be changes in governmental regulations or administrative actions.

If we are required to conduct additional clinical trials or other testing of our product candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our product candidates or other testing, if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, we may:

- be delayed in obtaining marketing approval for our product candidates;
- not obtain marketing approval at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings that would reduce the potential market for our products or inhibit our ability to successfully commercialize our products;
- be subject to additional post-marketing restrictions and/or testing requirements; or
- have the product removed from the market after obtaining marketing approval.

Our product development costs will also increase if we experience delays in testing or marketing approvals. We do not know whether any of our preclinical studies or clinical trials will need to be restructured or will be completed on schedule, or at all. Significant preclinical or clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our product candidates or allow our competitors to bring products to market before we do and impair our ability to successfully commercialize our product candidates and may harm our business and results of operations.

If we experience delays or difficulties in the enrollment of patients in clinical trials, our receipt of necessary regulatory approvals could be delayed or prevented and expenses for development of our product candidates could increase.

We may not be able to initiate or continue clinical trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials to demonstrate safety and efficacy. We have initiated clinical trials of KVD001 and KVD818, and we do not know whether planned or ongoing clinical trials will enroll subjects in a timely fashion, require redesign of essential trial elements or be completed on our projected schedule. In particular, because we are focused on patients with HAE, which is a rare disease, our ability to enroll eligible patients in trials may be limited or may result in slower enrollment than we anticipate. In addition, competitors have ongoing clinical trials for product candidates that treat the same indications as our product candidates, and patients who would otherwise be eligible for our clinical trials may instead enroll in clinical trials of our competitors' product candidates. Our inability to enroll a sufficient number of patients for our clinical trials would result in significant delays and could require us to abandon one or more clinical trials altogether.

Patient enrollment is affected by other factors including:

- the eligibility criteria for the study in question;
- the perceived risks and benefits of the product candidate under study;

- the efforts to facilitate timely enrollment in clinical trials;
- the inability to identify and maintain a sufficient number of trial sites, many of which may already be engaged in other clinical trial programs, including some that may be for the same disease indication;
- the patient referral practices of physicians;
- the proximity and availability of clinical trial sites for prospective patients;
- ambiguous or negative interim results of our clinical trials, or results that are inconsistent with earlier results;
- feedback from the MHRA, FDA, IRBs, data safety monitoring boards, or a comparable foreign regulatory authority, or results from earlier stage or concurrent preclinical and clinical studies, that might require modifications to the protocol;
- decisions by the MHRA, FDA, IRBs, a comparable foreign regulatory authority or us, or recommendations by data safety monitoring boards, to suspend or terminate clinical trials at any time for safety issues or for any other reason; and
- unacceptable risk-benefit profile or unforeseen safety issues or adverse effects.

Enrollment delays in our clinical trials may result in increased development costs for our product candidates, which would cause the value of the company to decline and limit our ability to obtain additional financing.

If serious adverse events or unacceptable side effects are identified during the development of our product candidates, we may need to abandon or limit the development of some of our product candidates.

If our product candidates are associated with undesirable effects in preclinical or clinical trials or have characteristics that are unexpected, we may need to interrupt, delay or abandon their development or limit development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. There are risks inherent in the intravitreal administration of drugs like KVD001 which can cause injury to the eye and other complications. For example, two drug-related adverse events were reported in the Phase 1 clinical trial of KVD001 and both events were also considered related to study procedures. The first of these was a case of eye inflammation considered of mild intensity and possibly related to study drug and study procedure. The second was a case of increased intraocular pressure considered of severe intensity and related to study procedure and probably related to study drug. However, additional or more severe side effects may be identified through further clinical studies. These or other drug-related side effects could affect patient recruitment or the ability of enrolled subjects to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

Risks Related to Regulatory Approval of Our Product Candidates and Other Legal Compliance Matters

If we are not able to obtain, or if there are delays in obtaining required regulatory approvals, we will not be able to commercialize our product candidates, and our ability to generate revenue will be materially impaired.

Our product candidates must be approved by the FDA pursuant to a new drug application (“NDA”) in the United States and by the European Medicines Agency (the “EMA”) and similar regulatory authorities outside the United States prior to commercialization. The process of obtaining marketing approvals, both in the United States and abroad, is expensive and takes many years, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product candidates involved. Failure to obtain marketing approval for a product candidate will prevent us from commercializing the product candidate. We have not received approval to market any of our product candidates from regulatory authorities in any jurisdiction. We have no experience in filing and supporting the applications necessary to gain marketing approvals and expect to rely on third party CROs to assist us in this process. Securing marketing approval requires the submission of extensive preclinical and clinical data and supporting information to regulatory authorities for each therapeutic indication to establish the product candidate’s safety and efficacy. Securing marketing approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities

by, the regulatory authorities. Our product candidates may not be effective, may be only moderately effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude us from obtaining marketing approval or prevent or limit commercial use. Regulatory authorities have substantial discretion in the approval process and may refuse to accept any application or may decide that our data are insufficient for approval and require additional preclinical, clinical or other studies. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit or prevent marketing approval of a product candidate. Changes in marketing approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted product application, may also cause delays in or prevent the approval of an application.

Any marketing approval we ultimately obtain may be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable.

If we experience delays in obtaining approval or if we fail to obtain approval of our product candidates, the commercial prospects for our product candidates may be harmed and our ability to generate revenues will be materially impaired.

We may seek orphan drug exclusivity for some of our product candidates, and we may be unsuccessful.

Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a product as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as a disease with a patient population of fewer than 200,000 individuals in the United States.

Generally, if a product with an orphan drug designation subsequently receives the first marketing approval for the indication for which it has such designation, the product is entitled to a period of marketing exclusivity, which precludes the EMA or the FDA from approving another marketing application for the same drug for the same indication during the period of exclusivity. The applicable period is seven years in the United States and ten years in Europe. The European exclusivity period can be reduced to six years if a drug no longer meets the criteria for orphan drug designation or if the drug is sufficiently profitable so that market exclusivity is no longer justified. Orphan drug exclusivity may be lost if the FDA or EMA determines that the request for designation was materially defective, if the manufacturer is unable to assure sufficient quantity of the drug to meet the needs of patients with the rare disease or condition.

Even if we obtain orphan drug exclusivity for a product candidate, that exclusivity may not effectively protect the product candidate from competition because different drugs can be approved for the same condition. Even after an orphan drug is approved, the FDA can subsequently approve a different drug for the same condition if the FDA concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care.

A fast track designation by the FDA, even if granted for any of our product candidates, may not lead to a faster development or regulatory review or approval process and does not increase the likelihood that our product candidates will receive marketing approval.

We do not currently have fast track designation for any of our product candidates but may seek such designation. If a drug is intended for the treatment of a serious or life-threatening condition and the drug demonstrates the potential to address unmet medical needs for this condition, the drug sponsor may apply for FDA fast track designation. The FDA has broad discretion whether or not to grant this designation. Even if we believe a particular product candidate is eligible for this designation, we cannot assure that the FDA would decide to grant it. Even if it does receive fast track designation, we may not experience a faster development process, review or approval compared to conventional FDA procedures. The FDA may withdraw fast track designation if it believes that the designation is no longer supported by data from our clinical development program. Many drugs that have received fast track designation have failed to obtain drug approval.

A breakthrough therapy designation by the FDA, even if granted for any of our product candidates, may not lead to a faster development or regulatory review or approval process, and does not increase the likelihood that our product candidates will receive marketing approval.

We do not currently have breakthrough therapy designation for any of our product candidates but may seek such designation. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For drugs that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor can help to identify the most efficient path for development.

Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe, after completing early clinical trials, that one of our product candidates meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of a breakthrough therapy designation for a product candidate may not result in a faster development process, review or approval compared to drugs considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our product candidates qualify as breakthrough therapies, the FDA may later decide that such product candidates no longer meet the conditions for qualification.

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

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

Any product candidate for which we obtain marketing approval will be subject to extensive post-marketing regulatory requirements and could be subject to post-marketing restrictions or withdrawal from the market, and we may be subject to penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with our products, when and if any of them are approved.

Our product candidates and the activities associated with their development and commercialization, including their testing, manufacture, recordkeeping, labeling, storage, approval, advertising, promotion, sale and distribution, are subject to comprehensive regulation by the MHRA, FDA and other regulatory authorities. In the United States, these requirements include submissions of safety and other post-marketing information and reports, registration and listing requirements, current good manufacturing practices (“cGMP”) requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, including periodic inspections by the FDA and other regulatory authority, requirements regarding the distribution of samples to physicians and recordkeeping.

The FDA, or other regulatory authorities, may also impose requirements for costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of the product. The FDA closely regulates the post-approval marketing and promotion of drugs to ensure drugs are marketed only for the approved indications and in accordance with the provisions of the approved labeling. The FDA imposes stringent restrictions on manufacturers’ communications regarding use of their products and if we promote our products beyond their approved indications,

we may be subject to enforcement action for off-label promotion. Violations of the Federal Food, Drug, and Cosmetic Act relating to the promotion of prescription drugs may lead to investigations alleging violations of federal and state health care fraud and abuse laws, as well as state consumer protection laws.

In addition, later discovery of previously unknown adverse events or other problems with our products, manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may yield various results, including:

- restrictions on such products, manufacturers or manufacturing processes;
- restrictions on the labeling or marketing of a product;
- restrictions on product distribution or use;
- requirements to conduct post-marketing studies or clinical trials;
- warning or untitled letters;
- withdrawal of the products from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of products;
- fines, restitution or disgorgement of profits or revenues;
- suspension or withdrawal of marketing approvals;
- refusal to permit the import or export of our products;
- product seizure; or
- injunctions or the imposition of civil or criminal penalties.

Non-compliance with European Union requirements regarding safety monitoring or pharmacovigilance, and with requirements related to the development of products for the pediatric population, can also result in significant financial penalties. Similarly, failure to comply with the European Union's requirements regarding the protection of personal information can also lead to significant penalties and sanctions.

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

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

For example, in 2010, President Obama signed into law the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, (collectively, the "ACA"). Among the provisions of the ACA of importance to its potential product candidates are the following:

- an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program;
- expansion of healthcare fraud and abuse laws, including the False Claims Act and the Anti-Kickback Statute, new government investigative powers, and enhanced penalties for noncompliance;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices;

- extension of manufacturers' Medicaid rebate liability;
- expansion of eligibility criteria for Medicaid programs;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program;
- new requirements to report financial arrangements with physicians and teaching hospitals;
- a new requirement to annually report drug samples that manufacturers and distributors provide to physicians; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

Some of the provisions of the ACA have yet to be implemented, and there have been judicial and Congressional challenges to certain aspects of the ACA. In addition, the current administration and Congress will likely continue to seek legislative and regulatory changes, including repeal and replacement of certain provisions of the ACA. In January 2017, President Trump signed an Executive Order directing federal agencies with authorities and responsibilities under the ACA to waive, defer, grant exemptions from, or delay the implementation of any provision of the ACA that would impose a fiscal or regulatory burden on states, individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices. In March 2017, following the passage of the budget resolution for fiscal year 2017, the U.S. House of Representatives passed legislation known as the American Health Care Act, which, if enacted, would have amended or repealed significant portions of the ACA. It is uncertain whether the American Health Care Act will become law. We continue to evaluate the effect that the ACA and its possible repeal and replacement has on our business. We anticipate that the ACA will result in additional downward pressure on coverage and the pricing of approved products, and could seriously harm our business. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our products. Such reforms could have an adverse effect on anticipated revenues from product candidates that we may successfully develop and for which we may obtain regulatory approval and may affect our overall financial condition and ability to develop product candidates. In addition, it is possible that there will be further legislation or regulation that could harm our business, financial condition and results of operations.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. These changes included aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, starting in 2013. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several providers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These new laws may result in additional reductions in Medicare and other healthcare funding.

We expect that the ACA, as well as other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved product. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our products.

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

Governments outside the United States tend to impose strict price controls, which may adversely affect our revenues, if any.

In some countries, particularly the countries of the European Union, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidate to other available therapies. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be materially harmed.

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

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

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with the storage or disposal of biological, hazardous or radioactive materials.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our discovery, preclinical development or production efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Risks Related to the Commercialization of Our Product Candidates

Even if any of our product candidates receives marketing approval, we may fail to achieve the degree of market acceptance by physicians, patients, third party payors and others in the medical community necessary for commercial success.

If any of our product candidates receives marketing approval, we may nonetheless fail to gain sufficient market acceptance by physicians, patients, third party payors and others in the medical community. In addition, physicians, patients and third party payors may prefer other novel products to ours. If our product candidates do not achieve an adequate level of acceptance, we may not generate significant product revenues and we may not become profitable. The degree of market acceptance of our product candidates, if approved for commercial sale, will depend on a number of factors, including:

- the efficacy and safety and potential advantages and disadvantages compared to alternative treatments;
- the ability to offer our products for sale at competitive prices;
- the convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of our marketing and distribution support;
- the availability of third party coverage and adequate reimbursement, including patient cost-sharing programs such as copays and deductibles;

- the ability to develop or partner with third-party collaborators to develop companion diagnostics;
- the prevalence and severity of any side effects; and
- any restrictions on the use of our products together with other medications.

We currently have no marketing and sales force. If we are unable to establish effective marketing and sales capabilities or enter into agreements with third parties to market and sell our product candidates, we may not be able to effectively market and sell our product candidates, if approved, or generate product revenues.

We currently do not have a marketing or sales team for the marketing, sales and distribution of any of our product candidates that are able to obtain regulatory approval. In order to commercialize any product candidates, we must build marketing, sales, distribution, managerial and other non-technical capabilities or make arrangements with third parties to perform these services, and we may not be successful in doing so. If our product candidates receive regulatory approval, we intend to establish an internal sales and marketing team with technical expertise and supporting distribution capabilities to commercialize our product candidates, which will be expensive and time consuming and will require significant attention of our executive officers to manage. Any failure or delay in the development of internal sales, marketing and distribution capabilities would adversely impact the commercialization of any of our products that we obtain approval to market. With respect to the commercialization of all or certain of our product candidates, we may choose to collaborate, either globally or on a territory-by-territory basis, with third parties that have direct sales forces and established distribution systems, either to augment our own sales force and distribution systems or in lieu of our own sales force and distribution systems. If we are unable to enter into such arrangements when needed on acceptable terms or at all, we may not be able to successfully commercialize any of our product candidates that receive regulatory approval or any such commercialization may experience delays or limitations. If we are not successful in commercializing our product candidates, either on our own or through collaborations with one or more third parties, our future product revenue will suffer and we may incur significant additional losses.

We face substantial competition, which may result in others discovering, developing or commercializing competing products before or more successfully than we do.

The development and commercialization of new drug products is highly competitive. We face competition with respect to our current product candidates, and will face competition with respect to any product candidates that we may seek to develop or commercialize in the future, from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. There are a number of large pharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of products for the treatment of the disease indications for which we are developing our product candidates. Some of these competitive products and therapies are based on scientific approaches that are the same as or similar to our approach, and others are based on entirely different approaches. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. In addition, our ability to compete may be affected in many cases by insurers or other third party payors seeking to encourage the use of generic products. Generic products are expected to become available over the coming years, potentially creating pricing pressure. If our product candidates achieve marketing approval, we expect that they will be priced at a significant premium over competitive generic products.

Many of the companies against which we are competing against which we may compete in the future have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller and other early stage companies may also

prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

The insurance coverage and reimbursement status of newly-approved products is uncertain. Failure to obtain or maintain adequate coverage and reimbursement for new or current products could limit our ability to market those products and decrease our ability to generate revenue.

The availability and extent of reimbursement by governmental and private payors is essential for most patients to be able to afford expensive treatments. Sales of our product candidates will depend substantially, both domestically and abroad, on the extent to which the costs of our product candidates will be paid by health maintenance, managed care, pharmacy benefit and similar healthcare management organizations, or reimbursed by government health administration authorities, private health coverage insurers and other third-party payors. If reimbursement is not available, or is available only to limited levels, we may not be able to successfully commercialize our product candidates. Even if coverage is provided, the approved reimbursement amount may not be high enough to allow us to establish or maintain pricing sufficient to realize a sufficient return on our investment.

There is significant uncertainty related to the insurance coverage and reimbursement of newly approved products. In the United States, the principal decisions about reimbursement for new medicines are typically made by the Centers for Medicare & Medicaid Services (“CMS”), an agency within the U.S. Department of Health and Human Services, as CMS decides whether and to what extent a new medicine will be covered and reimbursed under Medicare. Private payors tend to follow CMS to a substantial degree. It is difficult to predict what CMS will decide with respect to reimbursement for fundamentally novel products such as ours, as there is no body of established practices and precedents for these new products. Reimbursement agencies in Europe may be more conservative than CMS. Outside the United States, international operations are generally subject to extensive governmental price controls and other market regulations, and we believe the increasing emphasis on cost-containment initiatives in Europe, Canada, and other countries has and will continue to put pressure on the pricing and usage of our product candidates. In many countries, the prices of medical products are subject to varying price control mechanisms as part of national health systems. In general, the prices of medicines under such systems are substantially lower than in the United States. Other countries allow companies to fix their own prices for medicines, but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our product candidates. Accordingly, in markets outside the United States, the reimbursement for our products may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenues and profits.

Moreover, increasing efforts by governmental and third-party payors, in the United States and abroad, to cap or reduce healthcare costs may cause such organizations to limit both coverage and level of reimbursement for new products approved and, as a result, they may not cover or provide adequate payment for our product candidates. We expect to experience pricing pressures in connection with the sale of any of our product candidates, due to the trend toward managed healthcare, the increasing influence of health maintenance organizations and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription drugs and surgical procedures and other treatments, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products into the healthcare market.

In addition, many private payors contract with commercial vendors who sell software that provide guidelines that attempt to limit utilization of, and therefore reimbursement for, certain products deemed to provide limited benefit to existing alternatives. Such organizations may set guidelines that limit reimbursement or utilization of our products.

Product liability lawsuits against us could cause us to incur substantial liabilities and to limit commercialization of any products that we may develop.

We face an inherent risk of product liability exposure related to the testing of our product candidates in human clinical trials and will face an even greater risk if we commercially sell any products that we may develop. If we

cannot successfully defend against claims that our product candidates or products caused injuries, we will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidates or products that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards to trial participants or patients;
- loss of revenue;
- reduced resources of our management to pursue our business strategy; and
- the inability to commercialize any products that we may develop.

We currently hold $8,000,000 in product liability insurance coverage in the aggregate, with a per incident limit of $8,000,000, which may not be adequate to cover all liabilities that we may incur. We may need to increase our insurance coverage as we expand our clinical trials or if we commence commercialization of our product candidates. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

Risks Related to Our Dependence on Third Parties

Future discovery and development collaborations may be important to us. If we are unable to maintain these collaborations, or if these collaborations are not successful, our business could be adversely affected.

For some of our product candidates, we may in the future determine to collaborate with pharmaceutical and biotechnology companies for development of products. We face significant competition in seeking appropriate collaborators. Our ability to reach a definitive agreement for any collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may have to curtail the development of a product candidate, reduce or delay our development program or one or more of our other development programs, delay our potential development schedule or reduce the scope of research activities, or increase our expenditures and undertake discovery or preclinical development activities at our own expense. If we fail to enter into collaborations and do not have sufficient funds or expertise to undertake the necessary development activities, we may not be able to further develop our product candidates or continue to develop our product candidates and our business may be materially and adversely affected.

Future collaborations we may enter into may involve the following risks:

- collaborators may have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may not perform their obligations as expected;
- changes in the collaborators' strategic focus or available funding, or external factors, such as an acquisition, may divert resources or create competing priorities;
- collaborators may delay discovery and preclinical development, provide insufficient funding for product development of targets selected by us, stop or abandon discovery and preclinical development for a product candidate, repeat or conduct new discovery and preclinical development for a product candidate;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates if the collaborators believe that competitive products are more likely to be successfully developed than our products;

- product candidates discovered in collaboration with us may be viewed by our collaborators as competitive with their own product candidates or products, which may cause collaborators to cease to devote resources to the development of its product candidates;
- disagreements with collaborators, including disagreements over proprietary rights, contract interpretation or the preferred course of development, might cause delays or termination of the discovery, preclinical development or commercialization of product candidates, might lead to additional responsibilities for us with respect to product candidates, or might result in litigation or arbitration, any of which would be time-consuming and expensive;
- collaborators may not properly maintain or defend its intellectual property rights or intellectual property rights licensed to us or may use its proprietary information in such a way as to invite litigation that could jeopardize or invalidate its intellectual property or proprietary information or expose us to potential litigation;
- collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability; and
- collaborations may be terminated for the convenience of the collaborator and, if terminated, we could be required to raise additional capital to pursue further development or commercialization of the applicable product candidates.

Additionally, subject to its contractual obligations to us, if a collaborator is involved in a business combination, the collaborator might deemphasize or terminate the development of any of our product candidates. If one of our collaborators terminates its agreement with us, they may find it more difficult to attract new collaborators and the perception of us in the business and financial communities could be adversely affected.

If our collaborations do not result in the successful development of products or product candidates, product candidates could be delayed and we may need additional resources to develop product candidates. All of the risks relating to product development, regulatory approval and commercialization described in this proxy statement also apply to the activities of our collaborators.

We contract with third parties for the manufacture of our product candidates for preclinical and clinical testing and we expect to continue to do so for commercialization. This reliance on third parties increases the risk that we will not have sufficient quantities of our product candidates or products at an acceptable cost and quality, which could delay, prevent or impair our development or commercialization efforts.

We do not own or operate facilities for the manufacture of our product candidates, and we do not have any manufacturing personnel. We currently have no plans to build our own clinical or commercial scale manufacturing capabilities. We rely, and expect to continue to rely, on third parties for the manufacture of our product candidates for preclinical and clinical testing. We will rely on third parties as well for commercial manufacture if any of our product candidates receive marketing approval. We review the manufacturing process for each of our candidates and assess the risk to supply and, as appropriate, establish multiple manufacturers and/or establish stock levels to support future activities and do not believe we are currently substantially dependent on any one third party. Despite the drug substance and product risk management, this reliance on third parties presents a risk that we will not have sufficient quantities of our product candidates or products or such quantities at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts.

Any performance failure on the part of our existing or future manufacturers of drug substance or drug products could delay clinical development or marketing approval. We do not currently have arrangements in place for redundant supply. If current suppliers cannot supply us with our Phase 2 requirements as agreed, we may be required to identify alternative manufacturers, which would lead us to incur added costs and delays in identifying and qualifying any such replacement.

The formulation used in early studies frequently is not a final formulation for commercialization. Additional changes may be required by the FDA or other regulatory authorities on specifications and storage conditions. These may require additional studies, and may delay our clinical trials.

We expect to rely on third party manufacturers or third party collaborators for the manufacture of commercial supply of any other product candidates for which our collaborators or we obtain, marketing approval.

We also expect to rely on other third parties to store and distribute drug supplies for our clinical trials. Any performance failure on the part of our distributors could delay clinical development or marketing approval of our product candidates or commercialization of our products, producing additional losses and depriving us of potential product revenue.

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:

- reliance on the third party for regulatory compliance and quality assurance;
- the possible breach of the manufacturing agreement by the third party;
- the possible misappropriation of our proprietary information, including trade secrets and know-how; and
- the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us.

Third party manufacturers may not be able to comply with cGMP, regulations or similar regulatory requirements outside the United States. Our failure, or the failure of our third party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of product candidates or products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our products.

Our product candidates and any products that we may develop may compete with other product candidates and products for access to manufacturing facilities. There are a limited number of manufacturers that operate under cGMP regulations and that might be capable of manufacturing for us.

Our current and anticipated future dependence upon others for the manufacture of our product candidates or products may adversely affect our future profit margins and our ability to commercialize any products that receive marketing approval on a timely and competitive basis.

Risks Related to Our Intellectual Property

If we are unable to obtain and maintain intellectual property protection for our technology and products or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize technology and products similar or identical to ours, and our ability to successfully commercialize our technology and products may be impaired.

Our success depends in large part on our ability to obtain and maintain patent protection in the European Union, the United States and other countries with respect to our proprietary technology and products. We seek to protect our proprietary position by filing patent applications in the United States and abroad related to our novel technologies and product candidates. This patent portfolio includes issued patents and pending patent applications covering compositions of matter and methods of use.

The patent prosecution process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. We may choose not to seek patent protection for certain innovations and may choose not to pursue patent protection in certain jurisdictions, and under the laws of certain jurisdictions, patents or other intellectual property rights may be unavailable or limited in scope. It is also possible that we will fail to identify patentable aspects of our discovery and preclinical development output before it is too late to obtain patent protection. Moreover, in some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the

patents, covering technology that we license from third parties. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions, and has in recent years been the subject of much litigation. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States. For example, India and China do not allow patents for methods of treating the human body. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in our owned or licensed patents or pending patent applications, or that we were the first to file for patent protection of such inventions. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not result in patents being issued which protect our technology or products, in whole or in part, or which effectively prevent others from commercializing competitive technologies and products. Changes in either the patent laws or interpretation of the patent laws in the European Union, the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. On September 16, 2011, the Leahy-Smith America Invents Act (the "Leahy-Smith Act"), was signed into law. The Leahy-Smith Act includes a number of significant changes to United States patent law. These include provisions that affect the way patent applications are prosecuted and may also affect patent litigation. The USPTO developed new regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, and in particular, the first to file provisions, only became effective in 2013. The Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business and financial condition.

Moreover, we may be subject to a third party preissuance submission of prior art to the USPTO, or become involved in opposition, derivation, reexamination, inter partes review, post-grant review or interference proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, we could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates.

Even if our owned and licensed patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with it or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our owned or licensed patents by developing similar or alternative technologies or products in a non-infringing manner.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our owned and licensed patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and products. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

The risks described elsewhere pertaining to our patents and other intellectual property rights also apply to the intellectual property rights that we license, and any failure to obtain, maintain and enforce these rights could have a material adverse effect on our business. In some cases we may not have control over the prosecution, maintenance or enforcement of the patents that we license, and our licensors may fail to take the steps that we believe are

necessary or desirable in order to obtain, maintain and enforce the licensed patents. Any inability on our part to protect adequately our intellectual property may have a material adverse effect on our business, operating results and financial position.

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

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and/or applications will be due to be paid to the USPTO and various governmental patent agencies outside of the United States in several stages over the lifetime of the patents and/or applications. We have systems in place to remind us to pay these fees, and we employ an outside firm and rely on our outside counsel to pay these fees due to non-U.S. patent agencies. The USPTO and various non-U.S. governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. We employ reputable law firms and other professionals to help us comply, and in many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, our competitors might be able to enter the market and this circumstance would have a material adverse effect on our business.

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

Because competition in our industry is intense, competitors may infringe or otherwise violate our issued patents, patents of our licensors or other intellectual property. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time consuming. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringed their patents. In addition, in a patent infringement proceeding, a court may decide that a patent of ours is invalid or unenforceable, in whole or in part, construe the patent's claims narrowly or refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated or interpreted narrowly. We may also elect to enter into license agreements in order to settle patent infringement claims or to resolve disputes prior to litigation, and any such license agreements may require us to pay royalties and other fees that could be significant. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure.

We may need to license certain intellectual property from third parties, and such licenses may not be available or may not be available on commercially reasonable terms.

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

Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of our business.

Our commercial success depends upon our ability, and the ability of our collaborators, to develop, manufacture, market and sell our product candidates and use our proprietary technologies without infringing the proprietary rights of third parties. There is considerable intellectual property litigation in the biotechnology and pharmaceutical industries. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our products and technology, including interference or

derivation proceedings before the USPTO. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future.

If we are found to infringe a third party's intellectual property rights, we could be required to obtain a license from such third party to continue developing and marketing our products and technology. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. We could be forced, including by court order, to cease commercializing the infringing technology or product. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed a patent. A finding of infringement could prevent us from commercializing our product candidates or force us to cease some of our business operations, which could materially harm our business. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business.

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

In addition to seeking patents for some of our technology and product candidates, we also rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and other third parties. We seek to protect our confidential proprietary information, in part, by entering into confidentiality and invention or patent assignment agreements with our employees and consultants, however, we cannot be certain that such agreements have been entered into with all relevant parties. Moreover, to the extent we enter into such agreements, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate them, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed.

Risks Related to Employee Matters, Facilities, Managing Growth and Macroeconomic Conditions

Our future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel.

We are highly dependent on the research and development, clinical and business development expertise of the principal members of our management, scientific and clinical team. Although we have entered into employment letter agreements with our executive officers, each of them may terminate their employment with us at any time. We do not maintain "key person" insurance for any of our executives or other employees.

Recruiting and retaining qualified scientific, clinical, manufacturing, sales and marketing personnel will also be critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize products. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our discovery and preclinical development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may

have commitments under consulting or advisory contracts with other entities that may limit their availability to provide services to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

We may face operational disruptions due to lack of adequate facilities.

We are highly dependent upon our U.K. facilities to conduct our scientific research, and we may face disruptions due to our expiring lease on those facilities. We currently operate our U.K. operations in spaces upon which the lease expires in November 2017. We are negotiating for new spaces that we expect to occupy early in 2018. However, we have not executed a lease for those spaces and though we anticipate we will be able to continue to operate in our existing spaces until the move, we currently have no legal right to occupancy beyond the lease expiration date. If we are forced to vacate our current spaces in advance of our move to a new facility, or if we are unable to obtain a new facility, it could cause a severe disruption to our scientific activities that could materially endanger our business and future prospects.

We expect to expand our development and regulatory capabilities and potentially implement sales, marketing and distribution capabilities, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.

We expect to experience significant growth in the number of our employees and the scope of our operations, particularly in the areas of drug development, regulatory affairs and, if any of our product candidates receive marketing approval, sales, marketing and distribution. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited financial resources and the limited experience of our management team in managing a company with such 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 our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

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. A severe or prolonged economic downturn, such as the recent global financial crisis, could result in a variety of risks to our business, including, our ability to raise additional capital when needed on acceptable terms, if at all. This is particularly true in Europe, where the United Kingdom’s vote to leave the European Union has created additional economic uncertainty that could last for years. The majority of our scientific operations are based in the United Kingdom and we have received significant funding through U.K. government sources and tax credits. We cannot anticipate all of the ways in which any changes in the economic climate and financial market conditions could adversely impact our business.

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

Our internal computer systems and those of our CROs, collaborators and third-parties on whom we rely are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. Furthermore, we have little or no control over the security measures and computer systems of our third-party collaborators. While we and, to our knowledge, our third party collaborators have not experienced any such system failure, accident or security breach to date, if such an event were to occur and cause interruptions in our operations or our third party collaborators, it could result in a material disruption of our drug development programs. For example, the loss of research data could delay development of our product candidates and the loss of clinical trial data from completed or ongoing or planned clinical trials could result in delays in our regulatory approval efforts and we may incur substantial costs to attempt to recover or reproduce the data. If any disruption or security breach resulted in a loss of or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and/or the further development of our product candidates could be delayed.

Risks Related to Ownership of Our Common Stock

Our stock price is volatile and our stockholders may not be able to resell shares of our common stock at or above the price they paid.

The trading price of our common stock is highly volatile and could be subject to wide fluctuations in response to various factors, many of which are beyond our control. These factors include those discussed in this "Risk Factors" section of this Annual Report on Form 10-K and others such as:

- announcement of a strategic transaction, including the acquisition of our company or its assets;
- our decision to initiate a clinical trial or not to initiate a clinical trial;
- announcements of significant changes in our business or operations, including the decision not to pursue drug development programs;
- additions or departures of key personnel;
- adverse results or delays in clinical trials;
- changes in reimbursement or third-party coverage of treatments for HAE or DME, or changes to treatment recommendations or guidelines applicable to the treatment of HAE or DME;
- announcements relating to collaboration partnerships or other strategic transactions undertaken by us;
- announcements of therapeutic innovations or new products by us or our competitors;
- adverse actions taken by regulatory agencies with respect to our clinical trials, manufacturing supply chain or sales and marketing activities;
- changes or developments in laws or regulations applicable to any of our product candidates;
- any adverse changes to our relationship with any manufacturers or suppliers;
- the success of our testing and clinical trials;
- the success of our efforts to acquire or license or discover additional product candidates;
- any intellectual property infringement actions in which we may become involved;
- announcements concerning our competitors or the pharmaceutical industry in general;
- achievement of expected product sales and profitability;
- manufacture, supply or distribution shortages;
- actual or anticipated fluctuations in our operating results;
- FDA or other regulatory actions affecting us or our industry or other healthcare reform measures in the United States or the United Kingdom;
- changes in financial estimates or recommendations by securities analysts;
- trading volume of our common stock;
- sales of our common stock by us, our executive officers and directors or our stockholders in the future; and
- general economic and market conditions and overall fluctuations in the United States equity markets.

In addition, the stock markets in general, and the markets for pharmaceutical, biopharmaceutical and biotechnology stocks in particular, have experienced extreme volatility that may have been unrelated to the operating performance of the issuer. These broad market fluctuations may adversely affect the trading price or liquidity of our common stock. In the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the issuer. If any of our stockholders were to bring such a lawsuit against us, we could incur substantial costs defending the lawsuit and the attention of our

management would be diverted from the operation of our business, which could seriously harm our financial position. Any adverse determination in litigation could also subject us to significant liabilities.

If securities or industry analysts do not publish research or reports about our business, or if they issue an adverse opinion regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If any analysts who cover us issue an adverse regarding us, our business model, our intellectual property or our stock performance, or if our clinical trials and operating results fail to meet the expectations of analysts, our stock price would likely decline. If any of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

We incur significant costs as a result of operating as a public company, and our management devotes substantial time to compliance initiatives. We may fail to comply with the rules that apply to public companies, including Section 404 of the Sarbanes-Oxley Act of 2002, which could result in sanctions or other penalties that would harm our business.

We incur significant legal, accounting and other expenses as a public company, including costs resulting from public company reporting obligations under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and regulations regarding corporate governance practices. The listing requirements of The NASDAQ Global Market require that we satisfy certain corporate governance requirements relating to director independence, distributing annual and interim reports, stockholder meetings, approvals and voting, soliciting proxies, conflicts of interest and a code of conduct. Our management and other personnel will need to devote a substantial amount of time to ensure that we comply with all of these requirements, and we will likely need to hire additional accounting and financial staff with appropriate public company reporting experience and technical accounting knowledge. Moreover, the reporting requirements, rules and regulations increase our legal and financial compliance costs and make some activities more time consuming and costly. Any changes we make to comply with these obligations may not be sufficient to allow us to satisfy our obligations as a public company on a timely basis, or at all. These reporting requirements, rules and regulations, coupled with the increase in potential litigation exposure associated with being a public company, could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors or board committees or to serve as executive officers, or to obtain certain types of insurance, including directors' and officers' insurance, on acceptable terms.

We are subject to Section 404 of The Sarbanes-Oxley Act of 2002, or Section 404, and the related rules of the SEC which generally require our management and independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting. Beginning with the annual report that we will be required to file with the SEC for the year ending April 30, 2018, Section 404 requires an annual management assessment of the effectiveness of our internal control over financial reporting. However, for so long as we remain an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012, or JOBS Act, we intend to take advantage of certain exemptions from various reporting requirements that are applicable to public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404.

To date, we have never conducted a review of our internal control for the purpose of providing the reports required by these rules. During the course of our review and testing, we may identify deficiencies and be unable to remediate them before we must provide the required reports. Furthermore, if we have a material weakness in our internal control over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated. We or our independent registered public accounting firm may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting, which could harm our operating results, cause investors to lose confidence in our reported financial information and cause the trading price of our stock to fall. In addition, as a public company we are required to file accurate and timely quarterly and annual reports with the SEC under the Exchange Act. Any failure to report our financial results on an accurate and timely basis could result in sanctions, lawsuits, delisting of our shares from The NASDAQ Global Market or other adverse consequences that would materially harm our business.

If we fail to establish or maintain proper internal controls, our ability to produce accurate financial statements or comply with applicable regulations could be impaired.

Pursuant to Section 404 of the Sarbanes-Oxley Act, beginning in the year ending April 30, 2018, our management will be required annually to deliver a report that assesses the effectiveness of our internal control over financial reporting and, subject to exemptions allowed as an "emerging growth company," our independent registered public accounting firm will be required annually to deliver an attestation report on the effectiveness of our internal control over financial reporting. If we are unable to maintain effective internal control over financial reporting, we may not be able to produce accurate financial statements, and investors may therefore lose confidence in our operating results, our stock price could decline and we may be subject to litigation or regulatory enforcement actions.

Provisions in our charter documents and under Delaware law could discourage a takeover that stockholders may consider favorable and may lead to entrenchment of management.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that could significantly reduce the value of our shares to a potential acquirer or delay or prevent changes in control or changes in our management without the consent of our board of directors. The provisions in our charter documents include the following:

- a classified board of directors with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- the required approval of at least 66 2/3% of the shares entitled to vote to remove a director for cause, and the prohibition on removal of directors without cause;
- the ability of our board of directors to authorize the issuance of shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the ability of our board of directors to alter our bylaws without obtaining stockholder approval;
- the required approval of at least 66 2/3% of the shares entitled to vote at an election of directors to adopt, amend or repeal certain provisions of our bylaws and our amended and restated certificate of incorporation regarding the election and removal of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by or at the direction of our board of directors pursuant to a resolution adopted by a majority of the total number of directors that our board of directors would have if there were no vacancies, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us. In addition, these provisions would apply even if we were to receive an offer that some stockholders may consider beneficial.

We are also subject to the anti-takeover provisions contained in Section 203 of the Delaware General Corporation Law. Under Section 203, a corporation may not, in general, engage in a business combination with any

holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other exceptions, the board of directors has approved the transaction.

Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.

Our amended and restated certificate of incorporation and amended and restated bylaws provide that we will indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law.

In addition, as permitted by Section 145 of the Delaware General Corporation Law, our amended and restated bylaws and our indemnification agreements that we have entered into with our directors and officers provide that:

- We will indemnify our directors and officers for serving us in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful.
- We may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law.
- We are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification.
- We will not be obligated pursuant to our amended and restated bylaws to indemnify a person with respect to proceedings initiated by that person against us or our other indemnitees, except with respect to proceedings authorized by our board of directors or brought to enforce a right to indemnification.
- The rights conferred in our amended and restated bylaws are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees and agents and to obtain insurance to indemnify such persons.
- We may not retroactively amend our amended and restated bylaw provisions to reduce our indemnification obligations to directors, officers, employees and agents.

Our ability to use our net operating losses to offset future taxable income, if any, may be subject to certain limitations.

In general, under Section 382 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-percentage-point cumulative change (by value) in the equity ownership of certain stockholders over a rolling three-year period) is subject to limitations on its ability to utilize its pre-change net operating losses, or NOLs, to offset future taxable income. We experienced an ownership change in November 2016 that substantially limited our use of the NOLs available to us for U.S. federal income tax purposes. If we undergo additional ownership changes (some of which changes may be outside our control), our ability to utilize our NOLs could be further limited by Section 382 of the Code. Our NOLs may also be impaired under state law. Accordingly, we may not be able to utilize a material portion of our NOLs. Furthermore, our ability to utilize our NOLs is conditioned upon our attaining profitability and generating U.S. federal taxable income. We have incurred net losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future; thus, we do not know whether or when we will generate the U.S. federal taxable income necessary to utilize our NOLs. See the risk factors described above under "-Risks Related to Our Limited Operating History, Financial Condition and Capital Requirements."

We do not currently intend to pay dividends on our common stock, and, consequently, our stockholders' ability to achieve a return on their investment will depend on appreciation in the price of our common stock.

We do not currently intend to pay any cash dividends on our common stock for the foreseeable future. We currently intend to invest our future earnings, if any, to fund our growth. Therefore, our stockholders are not likely

to receive any dividends on their common stock for the foreseeable future. Since we do not intend to pay dividends, our stockholders' ability to receive a return on their investment will depend on any future appreciation in the market value of our common stock. There is no guarantee that our common stock will appreciate or even maintain the price at which our holders have purchased it.

Item 1B. Unresolved Staff Comments.

None

Item 2. Properties.

Our corporate headquarters are located in Cambridge, Massachusetts where we occupy approximately 2,000 square feet of office and laboratory space under a lease which is currently running on a month by month basis. We also maintain approximately 4,500 square feet of office and research laboratory space in Porton Down, United Kingdom, under a lease that expires in November 2017.

In May 2017, we entered into a lease for approximately 2,700 square feet of office space in Cambridge, Massachusetts, that we anticipate occupying in late 2017. We are currently in negotiations for new office and research laboratory space in the United Kingdom that we anticipate we will move to in early 2018. While we believe we will be able to continue to operate in our current U.K. spaces until we move to our new location, we currently have no assurance that this will be the case.

We believe that our current and planned facilities are adequate to meet our needs for the immediate future, and that, should it be needed, suitable additional space will be available to accommodate any such expansion of our operations.

Item 3. Legal Proceedings.

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. We are currently not aware of any such legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results.

Item 4. Mine Safety Disclosures.

Not Applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Price Range of Common Stock

Our common stock is traded on the NASDAQ stock market under the symbol "KALV" as of November 21, 2016, the date after the share purchase transaction with KalVista Pharmaceuticals Ltd. Prior to November 21, 2016, our common stock was traded on the NASDAQ stock market under the symbol "CBYL" since April 9, 2015. The following table sets forth the quarterly high and low sales prices per share of our common stock. The per share prices below reflect a 14 for 1 reverse stock split effected on November 21, 2016:

	High	Low
Year ended April 30, 2017		
First Fiscal Quarter	$ 20.02	$ 7.56
Second Fiscal Quarter	$ 9.10	$ 6.16
Third Fiscal Quarter	$ 10.65	$ 6.09
Fourth Fiscal Quarter	$ 8.74	$ 6.20
Year ended April 30, 2016		
First Fiscal Quarter	$ 129.11	$ 70.84
Second Fiscal Quarter	$ 99.12	$ 44.80
Third Fiscal Quarter	$ 67.48	$ 28.00
Fourth Fiscal Quarter	$ 34.72	$ 7.28

As of April 30, 2017, there were 59 holders of record of our common stock. The last reported sale price of the common stock on April 30, 2017 was $7.49 per share.

Dividends

We have never declared or paid cash dividends on our capital stock. We do not expect to pay dividends on our common stock for the foreseeable future. Instead, we anticipate that all of our earnings, if any, will be used for the operation and growth of our business. Any future determination to declare cash dividends would be subject to the discretion of our board of directors and would depend upon various factors, including our results of operations, financial condition and capital requirements, restrictions that may be imposed by applicable law and our contracts and other factors deemed relevant by our board of directors.

Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information as of April 30, 2017, with respect to the shares of our common stock that may be issued under our existing equity compensation plans.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by stockholders (1)(2)	452,713	$ 4.13	1,043,554
Equity compensation plans not approved by stockholders (3)	85,055	$ 8.45	—
Total	537,768		1,043,554

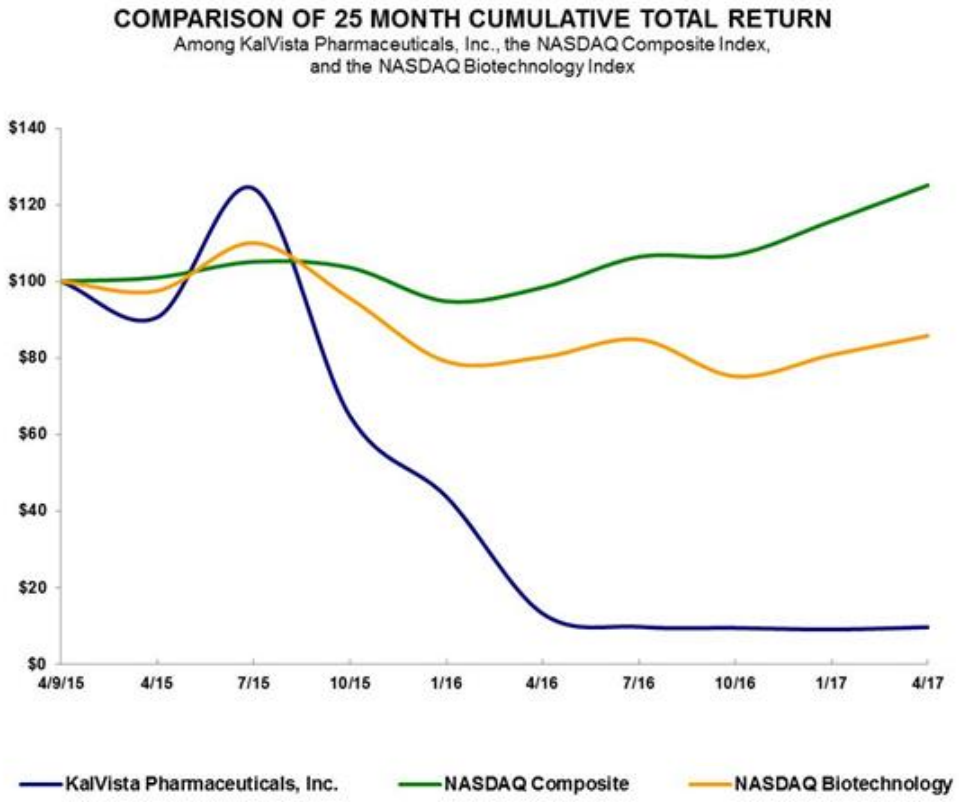
(1) Includes 169,148 shares subject to options issued pursuant to the Carbylan 2015 Incentive Plan, 211,565 shares subject to options issued pursuant to the Enterprise Management Incentives Plan and 72,000 shares subject to options issued pursuant to the 2017 Equity Incentive Plan. The 2017 Equity Incentive Plan contains provisions that provide for automatic increases to the authorized number of shares as of January 1st each year, of up to 4% of the outstanding shares of stock on the last day of the immediately preceding calendar year, or a lesser number of shares as approved by our board of directors. There are 100,000 shares of common stock available for issuance under the 2017 Employee Stock Purchase Plan. As of April 30, 2017, no purchase periods under the 2017 Employee Stock Purchase Plan have been authorized by the board of directors.

(2) Shares reserved for issuance under the 2017 Equity Incentive Plan may be granted as restricted stock, restricted share units and other equity awards, as well as for grants of stock options and stock appreciation rights.

(3) Consists of options issued pursuant to inducement grants.

Stock Price Performance Graph

The graph below matches KalVista Pharmaceuticals, Inc.'s cumulative 25-month total shareholder return on common stock with the cumulative total returns of the NASDAQ Composite index and the NASDAQ Biotechnology index. The graph tracks the performance of a $100 investment in our common stock and in each index (with the reinvestment of all dividends) from April 9, 2015, the date our common stock became publicly traded, to April 30, 2017.



	4/9/15	4/15	7/15	10/15	1/16	4/16	7/16	10/16	1/17	4/17
KalVista Pharmaceuticals, Inc.	**100.00**	**90.65**	**124.28**	**64.75**	**43.71**	**13.17**	**9.73**	**9.43**	**9.03**	**9.62**
NASDAQ Composite	**100.00**	**101.02**	**105.12**	**103.58**	**94.79**	**98.43**	**106.43**	**106.93**	**115.78**	**125.15**
NASDAQ Biotechnology	**100.00**	**97.54**	**110.04**	**95.55**	**79.05**	**80.21**	**84.81**	**75.17**	**80.79**	**85.79**

Recent Sales of Unregistered Securities

None

Item 6. Selected Financial Data.

The following selected financial data should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” the financial statements and related notes and other financial information included in this Annual Report on Form 10-K.

We derived the financial data for the years ended April 30, 2017, 2016 and 2015 and the balance sheet data as of April 30, 2017 and 2016 from our audited consolidated financial statements, which are included elsewhere in this Annual Report on Form 10-K. Historical results are not necessarily indicative of the results to be expected in future periods.

	For the Years Ended April 30,		
	2017	2016	2015
	(in thousands, except per share data)		
Consolidated Statement of Operations Data:			
Grant income	$ 1,504	$ 2,133	$ 1,804
Operating expenses			
Research and development	12,666	14,661	8,285
General and administrative	11,177	2,653	1,608
Total operating expenses	23,843	17,314	9,893
Operating loss	(22,339)	(15,181)	(8,089)
Other income, net	3,736	3,745	863
Net loss	$ (18,603)	$ (11,436)	$ (7,226)
Net loss per share attributable to common stockholders, basic and diluted	$ (4.47)	$ (26.17)	$ (34.94)
Weighted average common shares outstanding, basic and diluted	4,646,764	591,298	263,358

	April 30,		
	2017	2016	2015
	(in thousands)		
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 30,950	$ 21,764	$ 2,526
Property and equipment, net	97	74	100
Working capital	31,230	21,422	1,950
Total assets	34,345	24,745	3,890
Total liabilities	3,018	3,249	1,840
Stockholders' equity (deficit)	31,327	(37,112)	(23,554)

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with our audited consolidated financial statements and the related notes that appear elsewhere in this Annual Report on Form 10-K. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. Actual results may differ materially from those discussed in these forward-looking statements due to a number of factors, including those set forth in the section entitled "Risk Factors" and elsewhere in this Annual Report on Form 10-K. For further information regarding forward-looking statements, please refer to the "Special Note Regarding Forward-Looking Statements" at the beginning of Part I of this Annual Report on Form 10-K.

Management Overview

We are a clinical-stage pharmaceutical company focused on the discovery, development and commercialization of small molecule serine protease inhibitors as new treatments for diseases with significant unmet need. Our initial focus is on developing a portfolio of oral inhibitors of plasma kallikrein for two indications: hereditary angioedema, or HAE, and diabetic macular edema or DME. Our first oral HAE program, KVD818, is currently in Phase 1 clinical testing and additional programs are in preclinical development. We also have developed KVD001, an intravitreally administered plasma kallikrein inhibitor for DME that has completed a Phase 1 clinical trial and is anticipated to commence Phase 2 testing later in 2017. Our headquarters is located in Cambridge, Massachusetts, with substantial research activities located in Porton Down, United Kingdom.

We have devoted substantially all of our efforts to research and development, including clinical trials of our product candidates. We have not completed the development of any product candidates. Pharmaceutical drug product candidates, like those being developed by us, require approvals from the U.S. Food and Drug Administration ("FDA") or foreign regulatory agencies prior to commercial sales. There can be no assurance that any product candidates will receive the necessary approvals and any failure to receive approval or delay in approval may have a material adverse impact on our business and financial results. We have never been profitable and are subject to a number of risks and uncertainties similar to those of other life science companies developing new products, including, among others, the risks related to the necessity to obtain adequate additional financing, to successfully develop product candidates, to obtain regulatory approval of product candidates, to comply with government regulations, to successfully commercialize our potential products, to the protection of proprietary technology and to the dependence on key individuals.

We have funded operations primarily through the issuance of preferred stock and grant income. As of April 30, 2017, we had an accumulated deficit of $55.9 million and $31.0 million of cash and cash equivalents. Our working capital, including cash obtained through the share purchase transaction with KalVista Limited, is anticipated to fund our operations for at least the next twelve months from the date the audited consolidated financial statements are issued. Accordingly, the audited consolidated financial statements have been prepared on a going concern basis.

Recent Developments

On November 21, 2016, KalVista Pharmaceuticals Ltd. ("KalVista Limited") completed a share purchase transaction with Carbylan Therapeutics Inc. ("Carbylan") whereby, immediately following the transaction, Carbylan's equity holders owned 19% and KalVista Limited's equity holders owned 81% of the combined company, respectively (see Note 6 to the audited consolidated financial statements). As a result, Carbylan issued approximately 7.8 million shares of common stock to the stockholders of KalVista Limited in exchange for their common shares of KalVista Limited. Approximately 1.9 million shares of common stock were retained by the Carbylan stockholders. The combined company was renamed KalVista Pharmaceuticals, Inc. following the transaction. For accounting purposes, KalVista Limited is considered to be acquiring Carbylan in the share purchase transaction, which was determined based upon the terms of the Share Purchase Agreement and other factors including: (i) KalVista Limited security holders own approximately 81% of the voting interests of the combined company immediately following the closing of the transaction; (ii) directors appointed by KalVista Limited hold a majority of board seats in the combined company; and (iii) KalVista Limited management hold all of the key positions in the management of the combined company. As the accounting acquirer, KalVista Limited's assets and liabilities were recorded at their pre-combination carrying amounts and the historical operations that are reflected in

the financial statements are those of KalVista Limited. Our consolidated financial statements reflect Carbylan's results of operations beginning after November 21, 2016. Carbylan has no ongoing operations, so the impact of the share purchase transaction on us is not significant except for the equity issued and the cash acquired in the transaction. Following the completion of the transaction, the business being conducted by us became primarily the business conducted by KalVista Limited, which is a clinical-stage pharmaceutical company focused on the discovery and development of small molecule protease inhibitors.

Financial Overview

Grant Income

We have received grant income to support our research and development activities from two main sources; JDRF, a charitable organization based in New York and the Technology Strategy Board ("TSB"), the U.K. Government's Biomedical Catalyst funding initiative. JDRF has provided $2.2 million in milestone-based financial support to advance the intravitreal drug program but this program has concluded and no further receipts are expected. Under the terms of a grant approved in the second calendar quarter of 2015, the TSB will provide a total amount of $7.3 million over the lifetime of the agreements between us and the TSB, to accelerate the development of the oral drug program, of which $5.9 million was received or was due to be received as of April 30, 2017.

Research and Development Expenses

Research and development expenses primarily consist of costs associated with our research activities such as salaries and related employee costs as well the costs associated with the preclinical and clinical development of product candidates. We contract with clinical research organizations to manage our clinical trials under agreed upon budgets for each study, with oversight by our clinical program managers. All research and development costs are expensed as incurred.

We expect to continue to incur substantial expenses related to development activities for the foreseeable future as we conduct clinical development, manufacturing and toxicology studies. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials, additional drug manufacturing requirements, and later stage toxicology studies such as carcinogenicity studies. The process of conducting preclinical studies and clinical trials necessary to obtain regulatory approval is costly and time consuming. The probability of success for each product candidate is affected by numerous factors, including preclinical data, clinical data, competition, manufacturing capability and commercial viability. Accordingly, we may never succeed in achieving marketing approval for any of our product candidates.

Completion dates and costs for clinical development programs as well as our research program can vary significantly for each current and future product candidate and are difficult to predict. As a result, we cannot estimate with any degree of certainty the total project costs associated with development of our product candidates at this point in time. We anticipate making determinations as to which programs and product candidates to pursue and how much funding to direct to each program and product candidate on an ongoing basis in response to the scientific success of early research programs, results of ongoing and future clinical trials, our ability to enter into collaborative agreements with respect to programs or potential product candidates, as well as ongoing assessments as to each current or future product candidate's commercial potential.

General and Administrative Expenses

General and administrative expenses consist primarily of the costs associated with general management, obtaining and maintaining our patent portfolio, professional fees for accounting, auditing, consulting and legal services, and general overhead expenses.

We expect ongoing general and administrative expenses to increase in the future as we expand our operating activities, maintain and expand the patent portfolio and incur additional costs associated with the management of a public company and maintaining compliance with exchange listing and SEC requirements. These potential increases

will likely include management costs, legal fees, accounting fees, directors' and officers' liability insurance premiums and expenses associated with investor relations.

Other Income, Net

Other income consists of bank interest, research and development tax credits from the U.K. government's tax incentive programs set up to encourage research and development in the U. K. and realized and unrealized exchange rate gains/losses related to accounts denominated in foreign currencies.

Income Taxes

We historically have incurred net losses and have no corporation tax liabilities. We file U.S. Federal tax returns as well as certain state returns. We also file returns in the U.K. Under the U.K. government's research and development tax incentive scheme, we have surrendered a portion of our tax losses in exchange for research and development tax credits in accordance with the relevant tax legislation. The research and development tax credits are paid out to us in cash and reported as other income.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which we have prepared in accordance with generally accepted accounting principles in the United States, ("GAAP"). The preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of our financial statements and the reported revenue and expenses during the reported periods. We evaluate these estimates and judgments, including those described below, on an ongoing basis. We base our estimates on historical experience, known trends and events, contractual milestones and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. See also Note 2, "Summary of Significant Accounting Policies" to our Consolidated Financial Statements included in Item 8 of this report, which discusses the significant assumptions used in applying our accounting policies. Those accounting policies and estimates that we deem to be critical are as follows:

Preclinical and Clinical Trial Accruals

We base our accrued expenses related to clinical trials on estimates of patient enrollment and related expenses at clinical investigator sites as well as estimates for services received and efforts expended pursuant to contracts with multiple research institutions and contract research organizations that conduct and manage clinical trials on our behalf. We make estimates of our accrued expenses as of each balance sheet date in our financial statements based on facts and circumstances known to us and based on contracted amounts applied to the level of patient enrollment and activity according to the clinical trial protocol. If timelines or contracts are modified based upon changes in the clinical trial protocol or scope of work to be performed, we modify our estimates of accrued expenses accordingly on a prospective basis.

If we do not identify costs that we have begun to incur, or if we underestimate or overestimate the level of services performed or the costs of these services, our actual expenses could differ from our estimates. At April 30, 2017 there were no significant accruals recognized given that our significant clinical trials have yet to commence.

Income Taxes

We account for income taxes under the asset and liability method. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized. Given our history of losses, we currently provide a full valuation allowance on our net deferred tax assets.

We account for uncertain tax positions in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes*. We assess all material positions taken in any income tax return, including all significant uncertain positions, in all tax years that are still subject to assessment or challenge by relevant taxing authorities. Assessing an uncertain tax position begins with the initial determination of the position's sustainability and is measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. As of each balance sheet date, unresolved uncertain tax positions are reassessed, and we determine whether (i) the factors underlying the sustainability assertion have changed and (ii) the amount of the recognized tax benefit is still appropriate. The recognition and measurement of tax benefits requires significant judgment. Judgments concerning the recognition and measurement of a tax benefit might change as new information becomes available.

Results of Operations

Year Ended April 30, 2017 Compared to Year Ended April 30, 2016

The following table sets forth the key components of our results of operations for the years ended April 30, 2017 and 2016:

	Years Ended April 30,		Increase (Decrease)
	2017	2016	
	(in thousands)		
Income			
Grant income	$ 1,504	$ 2,133	$ (629)
Operating Expenses			
Research and development expenses	12,666	14,661	(1,995)
General and administrative expenses	11,177	2,653	8,524
Other income			
Interest, exchange rate gain and other income	3,736	3,745	(9)

Grant Income. Grant income was $1.5 million in the year ended April 30, 2017 compared to $2.1 million in the prior year. In the year ended April 30, 2017, $1.2 million was received from the principal TSB grant and the remaining $0.3 million balance from other grant sources. The decrease was due to the completion of some grant programs during the year as well as a slight decrease in amounts earned on the TSB grant during the year. Under the terms of a grant approved in May 2015, the TSB will provide a total amount of $7.3 million over the lifetime of the agreements between us and the TSB, to accelerate the development of the oral drug program, of which $5.9 million was received or was due to be received as of April 30, 2017.

Research and Development Expenses. Research and development expenses were $12.7 million in the year ended April 30, 2017 compared to $14.7 million in the prior year, primarily due to a decrease in spending on the Intravitreal and Oral programs, which was somewhat offset by an increase in spending on our additional earlier stage oral programs and expenses related to early stage research activities. The reduction in expense also reflects a decline in the exchange rate of the British Pound Sterling ("GBP"), which is the currency in which most of our research and development expense is currently incurred. Approximately $2.0 million of the overall decline in research and development expense was due to the decline in exchange rates.

Research and development expenses by major programs or categories were as follows:

	Years Ended April 30,		Increase (Decrease)	
	2017	2016		
	(in thousands)			
Intravitreal	$ 571	$ 3,583	$ (3,012)	-84%
Oral	2,785	4,264	(1,479)	-35%
Additional oral programs	2,552	2,262	290	13%
Early stage research activities	6,758	4,552	2,206	48%
Total	$ 12,666	$ 14,661	$ (1,995)	-14%

Expenses for the intravitreal program declined in the year ended April 30, 2017 compared to the prior year due to completion of toxicology studies that were required to support further clinical development. Expenses for the oral program decreased in the year ended April 30, 2017 compared to the prior year as a result of the completion of toxicology studies in the prior year.

The additional oral programs expenses in the year ended April 30, 2017 increased to $2.6 million from $2.3 million in the prior year due to expenses incurred in connection with the progression of multiple candidates through discovery characterization, initial scale-up manufacture and entry into early toxicology assessment. Early stage research expenses for the year ended April 30, 2017 increased to $6.8 million compared to $4.6 million in the prior year due to an increase in headcount and expansion of early stage discovery activities. We anticipate that research and development spending will continue to increase as clinical trials ramp up and multiple candidates are assessed in discovery and early development.

General and Administrative Expenses. General and administrative expenses were $11.2 million for the year ended April 30, 2017 which was an increase of $8.5 million compared to $2.7 million in the prior year. The increase in general and administrative expenses for the year ended April 30, 2017 was substantially due to $5.6 million of professional fees and regulatory costs the majority of which were associated with the share purchase transaction completed in November 2016 as well as $0.8 million of severance costs and $2.1 million of payroll related, facilities and other administrative expenses as we expanded the management team and other key positions, and incurred costs associated with operations as a public company. We anticipate that ongoing general and administrative expenses should be lower than the current period, though they will increase over time compared to the prior year as we increase our headcount and operating activities and incur expenses associated with being a public company.

Other Income. Other income was $3.7 million for the year ended April 30, 2017 compared to $3.7 million for the prior year. A $0.3 million decrease in foreign currency exchange rate gains from accounts denominated in foreign currency was offset by a $0.3 million increase in income from research and development tax credits.

Year Ended April 30, 2016 Compared to Year Ended April 30, 2015

The following table sets forth the key components of our results of operations for the years ended April 30, 2016 and 2015:

	Years Ended April 30,		Increase (Decrease)
	2016	2015	
	(in thousands)		
Income			
Grant income	$ 2,133	$ 1,804	$ 329
Operating Expenses			
Research and development expenses	14,661	8,285	6,376
General and administrative expenses	2,653	1,608	1,045
Other income			
Interest, exchange rate gain and other income	3,745	863	2,882

Grant Income. Grant income was $2.1 million in the year ended April 30, 2016 compared to $1.8 million in the prior year. In the year ended April 30, 2016, $1.6 million was received from the principal TSB grant and the balance from other grant sources.

Research and Development Expenses. Research and development expenses were $14.7 million in the year ended April 30, 2016 compared to $8.3 million in the prior year, primarily due to an overall increase in spending on all of our programs.

Research and development expenses by major programs or categories were as follows:

	Years Ended April 30,		Increase (Decrease)	
	2016	2015		
	(in thousands)			
Intravitreal	$ 3,583	$ 2,201	$ 1,382	63%
Oral	4,264	$ 2,967	1,297	44%
Additional oral programs	2,262	—	2,262	—
Early stage research activities	4,552	3,117	1,435	46%
Total	$ 14,661	$ 8,285	$ 6,376	77%

Expenses for the intravitreal program increased in the year ended April 30, 2016 compared to the prior year due to toxicology studies that were required to support further clinical development. Additional expenses were incurred for manufacturing of clinical supplies for the next clinical study.

Expenses for the oral program increased in the year ended April 30, 2016 compared to the prior year as a result of increased expenditure on manufacturing of drug substance and drug product and toxicology studies to support the clinical program.

The additional oral programs incurred expenses in the year ended April 30, 2016 of $2.3 million compared to no expense in the prior year due to new candidates moving through discovery characterization, initial scale-up manufacture and entry into early toxicology assessment. Early stage research expenses for the year ended April 30, 2016 increased to $4.6 million compared to $3.1 million in the prior year due to an increase in early stage discovery activities. We anticipate that research and development spending will continue at or near the current rate as multiple candidates are assessed in discovery and early development.

General and Administrative Expenses. General and administrative expenses were $2.7 million for the year ended April 30, 2016 which was an increase of $1.1 million compared to $1.6 million in the prior year. The increase in general and administrative expenses for the year ended April 30, 2016 was substantially due to $0.5 million of employee related expenses due to the expansion of management and other key positions and $0.6 million of legal and patent expenses.

Other Income. Other income was $3.7 million for the year ended April 30, 2016 compared to $0.9 million for the prior year. The increase in the year ended April 30, 2016 was primarily due to an increase in foreign currency exchange rate gains from cash held in USD accounts in our U.K. entity.

Liquidity and Capital Resources

We have incurred losses since inception and cash outflows from operating activities for the years ended April 30, 2017 and 2016. We have received equity funding totaling $58.6 million, grant income of $8.5 million and have an accumulated deficit of $55.9 million. We anticipate that we will continue to incur net losses for the foreseeable future as we continue the research and development efforts on our product candidates, hire additional staff, including clinical, scientific, operational, financial and management personnel, and incur additional costs associated with being a public company.

We plan to continue to fund our operations with cash and cash equivalents at April 30, 2017 along with future issuances of debt and/or equity securities and potential collaborations or strategic partnerships with other entities. Capital raises from issuances of convertible debt and equity securities could result in additional dilution to stockholders. Incurrence of debt could result in debt service obligations and operating and financing covenants that may restrict operations. We can provide no assurance that financing will be available in the amounts anticipated to be required or on acceptable terms, if at all. If we are not able to secure adequate additional working capital when it becomes needed, we may be required to make reductions in spending, extend payment terms with suppliers, liquidate assets where possible and/or suspend or curtail planned research programs. Any of these actions could materially harm our business and prospects.

Cash Flows

The following table shows a summary of the net cash flow activity for the years ended April 30, 2017 and 2016:

	Years Ended April 30,	
	2017	2016
	(in thousands)	
Cash flows used in operating activities	$ (23,722)	$ (13,156)
Cash flows provided by (used in) investing activities	34,065	(11)
Cash flows provided by financing activities	2	33,003
Effect of exchange rate changes on cash	(1,159)	(598)
Net increase in cash and cash equivalents	$ 9,186	$ 19,239

Net cash used in operating activities

Net cash used in operating activities of $23.7 million for the year ended April 30, 2017 consisted primarily of a net loss of $18.6 million, adverse working capital movements of $4.2 million and the impact of foreign currency re-measurement gains of $1.4 million. Included in the net cash used for operating activities was $5.6 million of expenses related to the share purchase transaction. Compared to the prior year, the increase in cash flows used in operating activities was due to expenses related to the share purchase transaction as well as employee related costs as we added key positions to our management team. Cash used in operating activities of $13.2 million for the year ended April 30, 2016 consisted of a net loss of $11.4 million, an increase in the research and development tax credit receivable of $1.1 million, a foreign currency re-measurement gain of $1.7 million offset by favorable net working capital movements in receivables and payables and other accrued and prepaid expenses of $0.9 million.

Net cash provided by investing activities

Net cash provided by investing activities for the year ended April 30, 2017 consisted of the net cash acquired in the Carbylan transaction of $34.1 million.

Net cash provided by financing activities

Net cash provided by financing activities for the year ended April 30, 2017 consisted of proceeds from the exercise of stock options. Net cash provided by financing activities for the year ended April 30, 2016 consisted of net proceeds from the issuance of $33.0 million of Series B preferred stock.

Operating Capital Requirements

To date, we have not generated any revenues from the sale of products and we do not have any products that have been approved for commercialization. We do not expect to generate significant product revenue unless and until we obtain regulatory approval for, and commercialize, one of our current or future product candidates. We anticipate that we will continue to incur losses for the foreseeable future, and we expect the losses to increase as we continue the development of, and seek regulatory approvals for, product candidates, and begin to commercialize any approved products. We are subject to all of the risks inherent in the development of new therapeutic products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. As a result of the completion of the share purchase transaction in November 2016, we expect to incur additional costs associated with operating as a public company. We currently anticipate that, based upon our operating plans, existing capital resources and the additional funding secured through the transaction, we have sufficient funding to operate for at least the next twelve months.

Until such time, if ever, as we can generate substantial revenues, we expect to finance our cash needs through a combination of equity or debt financings, collaborations, strategic partnerships or licensing arrangements. To the extent that additional capital is raised through the sale of stock or convertible debt securities, the ownership interest of existing stockholders will be diluted, and the terms of these newly issued securities may include liquidation or

other preferences that adversely affect the rights of common stockholders. Debt financing, if available, may involve agreements that include increased fixed payment obligations and covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, declaring dividends, selling or licensing intellectual property rights and other operating restrictions that could adversely impact our ability to conduct business. Additional fundraising through collaborations, strategic partnerships or licensing arrangements with third parties may require us to relinquish valuable rights to product candidates, including its other technologies, future revenue streams or research programs, or grant licenses on terms that may not be favorable. If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce or terminate product development or future commercialization efforts or grant rights to develop and commercialize its other product candidates even if we would otherwise prefer to develop and commercialize such product candidates internally.

Contractual Obligations and Commitments

We enter into contracts in the normal course of business with contract research organizations and clinical trial sites for the conduct of clinical trials, preclinical and clinical studies, professional consultants and other vendors for clinical supply manufacturing or other services. These contracts generally provide for termination on notice, and therefore are cancelable contracts and not included in the table of contractual obligations and commitments in Note 10 to the consolidated financial statements. There are no long term debt payments or long term operating lease obligations as of April 30, 2017.

In May 2017, we entered into a lease for approximately 2,700 square feet of office space in Cambridge, MA, that we anticipate occupying in late 2017. The lease has a term of 5 years and annual rent expense will range from approximately $220,000 to $232,000.

In June 2017, we entered into a lease agreement for laboratory equipment to be used in the U.K. research facility. We made a down payment of approximately $200,000 and the remaining payments of approximately $18,000 per month will be made over a two year term.

The table below summarizes the abovementioned non-cancelable lease commitments:

	Payments Due by Period (In thousands)				
Contractual Obligations	**Total**	**Less Than 1 Year**	**1-3 Years**	**3-5 Years**	**More Than 5 Years**
Operating lease obligations	$ 1,758	$ 506	$ 697	$ 459	$ 96

As a result of the terms of grant income received in prior years, upon successful regulatory approval and following the first commercial sale of certain products, we will be required to pay royalty fees of up to £1 million within 90 days of the first commercial sale of the product subject to certain caps and follow on payments depending upon commercial success and type of product. Given the stage of development of the current pipeline of products it is not possible to predict with certainty the amount or timing of any such liability.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements as defined in the rules and regulations of the SEC.

Recent Accounting Pronouncements

For information regarding recent accounting pronouncements, please refer to Note 2, Summary of Significant Accounting Policies within our consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

We have exposure to market risk in interest income sensitivity, which is affected by changes in the general level of interest rates. However, because of the short-term nature of the bank deposit arrangements and the very low interest rates prevailing in the United Kingdom and the United States, a sudden change in market interest rates would not be expected to have a material impact on our financial condition and/or results of operations. We do not believe that our cash or cash equivalents have significant risk of default or illiquidity.

Foreign Exchange Rate Risk

We maintain cash balances primarily in both USD and GBP to fund ongoing operations and manage foreign exchange risk. Cash and cash equivalents as of April 30, 2017 was $31.0 million and consisted of readily available checking and bank deposit accounts held primarily in both USD and GBP. As of April 30, 2017, 95% of cash and cash equivalents were held in USD and 5% in GBP. We currently incur significant expense primarily in GBP and convert USD as needed to fund those expenses. We do not currently engage in exchange rate hedging or other similar activities to address our exchange rate risk. A 10% change in the exchange rate would result in a net gain or loss of approximately $0.2 million.

Effects of Inflation

We do not believe that inflation and changing prices had a significant impact on the results of operations for any periods presented herein.

Item 8. Financial Statements and Supplementary Data.

The financial statements and related financial statement schedules required to be filed are listed in Item 15 and incorporated herein by reference.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of April 30, 2017. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of April 30, 2017 our Chief Executive Officer and Chief Financial Officer have concluded that, as of April 30, 2017, our disclosure controls and procedures were effective at the reasonable assurance level.

Management's Annual Report on Internal Control Over Financial Reporting

This Annual Report on Form 10-K does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of our independent registered public accounting firm due to our determination that the company is currently similarly situated to a newly public company due to the relatively recent closing of the reverse merger transaction with Carbylan. In making this determination, we have considered the timing and effects of such reverse merger transaction, which closed in November 2016 and after which, substantially all of the business of the company was that of KalVista Limited. We further considered the integration between the two businesses, which involved substantial changes to the board and management. We will file our first assessment regarding internal control in the Annual Report on Form 10-K for the year ending April 30, 2018.

Changes in Internal Controls over Financial Reporting

During the quarter ended April 30, 2017, management continued to implement additional controls to enhance the operating effectiveness of internal control over financial reporting. In addition to the controls discussed below, the Company hired additional accounting personnel to supplement existing staff. The new accounting personnel provided additional oversight and monitoring of the financial close and reporting process.

As previously reported, two material weaknesses were identified as of April 30, 2016. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. A description of the material weaknesses and the remediation efforts that were implemented and determined to be effective as of April 30, 2017 were as follows:

- A deficiency was identified related to ineffective design of controls over the measurement of fair value of equity-based awards, specifically the measurement of the fair value of the common stock underlying such awards. At April 30, 2016, there was no active market for our common stock. Upon completion of the Carbylan transaction on November 21, 2016, our common stock is publicly traded and the valuation of the stock underlying new awards is readily determinable from the quoted price of our common stock. In addition, we implemented a software tool to improve tracking of equity awards. The new software, which was fully implemented during the quarter ended April 30, 2017, allows for more effective controls over processing and oversight of the measurement and recording of stock-based compensation.
- Deficiencies were identified related to ineffective design and operation of controls to ensure that operating expenses were recorded in the correct period. During the quarter ended January 31, 2017, management implemented additional controls related to approval of expenditures and ensuring that the goods and services that were received at or near the end of the period were properly identified and recorded. During the quarter ended April 30, 2017, there was sufficient evidence to demonstrate that the newly implemented controls were effective at April 30, 2017.

The implementation of these controls, as well as the additional personnel, have materially affected our internal control over financial reporting during the quarter ended April 30, 2017 and have been designed and implemented to effectively remediate the material weaknesses previously identified.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this Item is set forth in our 2017 Proxy Statement to be filed with the SEC within 120 days of April 30, 2017, and is incorporated by reference into this Annual Report on Form 10-K by reference.

Item 11. Executive Compensation.

The information required by this Item is set forth in our 2017 Proxy Statement to be filed with the SEC within 120 days of April 30, 2017, and is incorporated by reference into this Annual Report on Form 10-K by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item is set forth in our 2017 Proxy Statement to be filed with the SEC within 120 days of April 30, 2017, and is incorporated by reference into this Annual Report on Form 10-K by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item is set forth in our 2017 Proxy Statement to be filed with the SEC within 120 days of April 30, 2017, and is incorporated by reference into this Annual Report on Form 10-K by reference.

Item 14. Principal Accounting Fees and Services.

The information required by this Item is set forth in our 2017 Proxy Statement to be filed with the SEC within 120 days of April 30, 2017, and is incorporated by reference into this Annual Report on Form 10-K by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) The following documents are filed as part of, or incorporated by reference into, this Annual Report on Form 10-K:

(1) *Consolidated Financial Statements.* See Index to Financial Statements under Item 8 of this Annual Report on Form 10-K.

(2) *Financial Statement Schedules.* All schedules have been omitted because the information required to be presented in them is not applicable or is shown in the financial statements or related notes.

(3) *Exhibits.* We have filed, or incorporated into this Annual Report on Form 10-K by reference, the exhibits listed on the accompanying Exhibit Index immediately following the financial statements in this Annual Report on Form 10-K.

(b) *Exhibits.* See Item 15(a)(3) above.

(c) *Financial Statement Schedules.* See Item 15(a)(2) above.

Item 16. Form 10-K Summary.

None.

SIGNATURES

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

KalVista Pharmaceuticals, Inc.

Date: July 27, 2017

By: /s/ Thomas Andrew Crockett
Thomas Andrew Crockett
Chief Executive Officer

POWER OF ATTORNEY

Each person whose individual signature appears below hereby authorizes and appoints Thomas Andrew Crockett and Benjamin L. Palleiko, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this annual report on Form 10-K and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue thereof.

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

Name	Title	Date
/s/ Thomas Andrew Crockett Thomas Andrew Crockett	Chief Executive Officer and Director (Principal Executive Officer)	July 27, 2017
/s/ Benjamin L Palleiko Benjamin L. Palleiko	Chief Financial Officer (Principal Financial and Accounting Officer)	July 27, 2017
/s/ Richard Aldrich Richard Aldrich	Director and Chairman	July 27, 2017
/s/ Albert Cha Albert Cha, M.D., Ph.D.	Director	July 27, 2017
/s/ Arnold Oronsky Arnold L. Oronsky, Ph.D.	Director	July 27, 2017
/s/ Joshua Resnick Joshua Resnick, M.D.	Director	July 27, 2017
/s/ Rajeev Shah Rajeev Shah	Director	July 27, 2017
/s/ Edward W Unkart Edward W. Unkart	Director	July 27, 2017

KALVISTA PHARMACEUTICALS, INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
KalVista Pharmaceuticals, Inc.
Cambridge, Massachusetts

We have audited the accompanying consolidated balance sheet of KalVista Pharmaceuticals, Inc. (the "Company") as of April 30, 2017, and the related consolidated statements of operations and comprehensive loss, changes in convertible preferred shares and stockholders' equity (deficit), and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of KalVista Pharmaceuticals, Inc. and its subsidiary as of April 30, 2017, and the results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
July 27, 2017

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of KalVista Pharmaceuticals Limited
KalVista Pharmaceuticals Limited
United Kingdom

We have audited the accompanying balance sheet of KalVista Pharmaceuticals Limited (the "Company") at April 30, 2016 and the related statements of operations and comprehensive loss, changes in convertible preferred shares and shareholders' deficit, and cash flows for each of the years ended April 30, 2016 and 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Company at April 30, 2016, and the results of its operations and its cash flows for each of the years ended April 30, 2016 and 2015, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the financial statements, the accompanying financial statements have been restated to correct a misstatement.

/s/ Deloitte LLP

Reading, United Kingdom

August 22, 2016
(July 27, 2017 as to the effects of the adjustment of net loss per share arising from the Carbylan transaction discussed in Note 2 and the misstatement of other comprehensive loss discussed in Note 2)

KALVISTA PHARMACEUTICALS, INC.
Consolidated Balance Sheets
April 30, 2017 and 2016
(in thousands except share and per share amounts)

	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	$ 30,950	$ 21,764
Research and development tax credit receivable	2,250	1,883
Grants receivable	297	356
Prepaid expenses and other current assets	751	668
Total current assets	34,248	24,671
Property and equipment, net	97	74
Total assets	$ 34,345	$ 24,745
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	$ 1,153	$ 1,008
Accrued expenses	1,865	2,114
Due to related parties	—	127
Total current liabilities	3,018	3,249
Commitments and contingencies (Note 10)		
Series B Convertible Preferred Stock, $0.0016 par value		
Shares issued and outstanding: None at April 30, 2017 and 8,422,898 at April 30, 2016	—	33,002
Series A Convertible Preferred Stock, $0.0016 par value		
Shares issued and outstanding: None at April 30, 2017 and 15,900,000 at April 30, 2016	—	25,606
Total preferred stock	—	58,608
Stockholders' equity (deficit):		
Ordinary Shares, $0.0016 par value		
Shares issued and outstanding: None at April 30, 2017 and 2,167,367 at April 30, 2016	—	3
Common stock, $0.001 par value		
Shares authorized: 100,000,000 at April 30, 2017		
Shares issued and outstanding: 9,713,042 at April 30, 2017 and none at April 30, 2016	10	—
Additional paid-in capital	89,815	212
Accumulated deficit	(55,855)	(37,252)
Accumulated other comprehensive loss	(2,643)	(75)
Total stockholders' equity (deficit)	31,327	(37,112)
Total liabilities and stockholders' equity (deficit)	$ 34,345	$ 24,745

See notes to consolidated financial statements.

KALVISTA PHARMACEUTICALS, INC.
Consolidated Statements of Operations and Comprehensive Loss
Years Ended April 30, 2017, 2016 and 2015
(in thousands, except share and per share amounts)

	2017	2016	2015
Grant income	$ 1,504	$ 2,133	$ 1,804
Operating expenses:			
Research and development expenses	12,666	14,661	8,285
General and administrative expenses	11,177	2,653	1,608
Total operating expenses	23,843	17,314	9,893
Operating loss	(22,339)	(15,181)	(8,089)
Other income:			
Interest income	36	50	19
Foreign currency exchange rate gain	1,371	1,661	—
Other income	2,329	2,034	844
Total other income	3,736	3,745	863
Net loss	(18,603)	(11,436)	(7,226)
Other comprehensive income (loss):			
Foreign currency translation adjustments	(2,568)	(2,240)	(156)
Comprehensive loss	$ (21,171)	$ (13,676)	$ (7,382)
Net loss per share attributable to common stockholders, basic and diluted	$ (4.47)	$ (26.17)	$ (34.94)
Weighted average common shares outstanding, basic and diluted	4,646,764	591,298	263,358

See notes to consolidated financial statements.

KALVISTA PHARMACEUTICALS, INC.
Consolidated Statements of Changes in Convertible Preferred Shares and Stockholders' Equity (Deficit)
Years Ended April 30, 2017, 2016 and 2015
(in thousands, except share and per share amounts)

	Series B Preferred Stock		Series A Preferred Stock		Total Preferred Stock	
	Number of Shares	Amount	Number of Shares	Amount	Shares	Amount
Balance, May 1, 2014	—	—	10,500,000	$ 16,913	10,500,000	$ 16,913
Issuance of Series A convertible preferred stock net of issuance costs of approximately $6			5,400,000	8,693	5,400,000	8,693
Issuance of ordinary shares	—	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	—	—
Net loss	—	—	—	—	—	—
Foreign currency translation	—	—	—	—	—	—
Balance, April 30, 2015	—	—	15,900,000	25,606	15,900,000	25,606
Issuance of Series B convertible preferred stock net of issuance costs of approximately $186	8,422,898	33,002	—	—	8,422,898	33,002
Issuance of ordinary shares	—	—	—	—		—
Stock-based compensation expense	—	—	—	—		—
Net loss	—	—	—	—		—
Foreign currency translation	—	—	—	—		—
Balance, April 30, 2016	8,422,898	33,002	15,900,000	25,606	24,322,898	58,608
Issuance of ordinary shares			—	—		—
Carbylan transaction	(8,422,898)	(33,002)	(15,900,000)	(25,606)	(24,322,898)	(58,608)
Stock-based compensation expense	—	—	—	—		—
Net loss	—	—	—	—		—
Foreign currency translation	—	—	—	—		—
Balance, April 30, 2017	**—**	**$ —**	**—**	**$ —**		**$ —**

	Ordinary Shares		Common Stock		Additional Paid-in-	Accumulated	Accumulated Other Comprehensive	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Capital	Deficit	Income (Loss)	(Deficit)
Balance, May 1, 2014	526,050	$ 1	—	$ —	$ 58	$ (18,590)	$ 2,321	$ (16,210)
Issuance of Series A convertible preferred stock net of issuance costs of approximately $6	—	—	—	—	—	—	—	—
Issuance of ordinary shares	776,317	1	—	—	—	—	—	1
Stock-based compensation expense	—	—			36	—	—	36
Net loss	—	—			—	(7,226)	—	(7,226)
Foreign currency translation	—	—			—	—	(156)	(156)
Balance, April 30, 2015	1,302,367	2	—	—	94	(25,816)	2,165	(23,555)
Issuance of Series B convertible preferred stock net of issuance costs of approximately $186	—	—			—	—	—	—
Issuance of ordinary shares	865,000	1			—	—	—	1
Stock-based compensation expense	—	—			118	—	—	118
Net loss	—	—			—	(11,436)	—	(11,436)
Foreign currency translation	—	—			—	—	(2,240)	(2,240)
Balance, April 30, 2016	2,167,367	3	—	—	212	(37,252)	(75)	(37,112)
Issuance of ordinary shares	396,719	2	—	—	—	—	—	2
Carbylan transaction	(2,564,086)	(5)	9,713,042	10	89,209	—	—	89,214
Stock-based compensation expense	—	—	—	—	394	—	—	394
Net loss	—	—	—	—	—	(18,603)	—	(18,603)
Foreign currency translation	—	—	—	—	—	—	(2,568)	(2,568)
Balance, April 30, 2017	**—**	**$ —**	**9,713,042**	**$ 10**	**$ 89,815**	**$ (55,855)**	**$ (2,643)**	**$ 31,327**

See notes to consolidated financial statements.

KALVISTA PHARMACEUTICALS, INC.
Consolidated Statements of Cash Flows
Years Ended April 30, 2017, 2016 and 2015
(in thousands)

	2017	2016	2015
Cash flows from operating activities:			
Net loss	$ (18,603)	$ (11,436)	$ (7,226)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation expense	40	33	38
Share-based compensation expense	394	118	36
Foreign currency exchange rate gain	(1,371)	(1,661)	—
Changes in operating assets and liabilities, net of changes from business acquired:			
Research and development tax credit receivable	(600)	(1,148)	(94)
Grants receivable	29	(137)	65
Prepaid expenses and other current assets	(81)	(475)	210
Accounts payable	(1,599)	374	167
Accrued expenses	(1,931)	1,176	436
Net cash used in operating activities	(23,722)	(13,156)	(6,368)
Cash flows from investing activities:			
Cash acquired in Carbylan transaction	34,139	—	—
Purchases of property and equipment	(74)	(11)	(125)
Net cash provided by (used in) investing activities	34,065	(11)	(125)
Cash flows from financing activities:			
Proceeds from issuance of common stock	2	1	1
Proceeds from issuance of Series A Preferred Stock, net of issuance costs	—	—	8,661
Proceeds from issuance of Series B Preferred Stock, net of issuance costs	—	33,002	—
Net cash provided by financing activities	2	33,003	8,662
Effect of exchange rate changes on cash	(1,159)	(598)	(124)
Net increase in cash and cash equivalents	9,186	19,238	2,045
Cash and cash equivalents, beginning year	21,764	2,526	481
Cash and cash equivalents, end of year	$ 30,950	$ 21,764	$ 2,526
Supplemental disclosures of cash flow information:			
Conversion of preferred stock and ordinary shares to common stock	$ 58,613	$ —	$ —
Cash paid for taxes	$ —	$ —	$ —

See notes to consolidated financial statements.

Note 1. Description of Business, Basis of Presentation and Going Concern

KalVista Pharmaceuticals, Inc. (the "Company" or "KalVista") is a clinical-stage pharmaceutical company focused on the discovery, development and commercialization of small molecule serine protease inhibitors as new treatments for diseases with significant unmet need. The Company's initial focus is on developing a portfolio of oral inhibitors of plasma kallikrein for two indications: hereditary angioedema, or HAE, and diabetic macular edema or DME. The first oral program, KVD818, is currently in Phase 1 clinical testing and additional programs are in preclinical development. KalVista also has developed an intravitreally administered plasma kallikrein inhibitor for DME that has completed a Phase 1 clinical trial and is anticipated to commence Phase 2 testing later in 2017. The Company's headquarters is located in Cambridge, Massachusetts, and the Company operates a research facility in the United Kingdom.

On November 21, 2016 KalVista Pharmaceuticals Limited ("KalVista Limited") completed a share purchase transaction with Carbylan Therapeutics Inc. ("Carbylan") in an all-stock transaction whereby immediately following the transaction Carbylan's equity holders owned 19% and KalVista Limited's equity holders owned 81% of the combined company, respectively (see Note 6). As a result, Carbylan issued approximately 7.8 million shares of common stock to the stockholders of KalVista Limited in exchange for their common shares of KalVista Limited. Approximately 1.9 million shares were retained by the Carbylan stockholders. The combined company was renamed KalVista Pharmaceuticals, Inc. following the transaction. Following the completion of the transaction, the business being conducted by the Company became primarily the business conducted by KalVista Limited. As discussed in Note 6, KalVista Limited was identified as the acquirer for accounting purposes. The Company's financial statement presentation reflects the business of KalVista Limited for periods prior to November 21, 2016 and the combined results of operations of KalVista Limited and Carbylan for the periods thereafter. The results of operations of the Carbylan business in the periods subsequent to acquisition date are not material.

The Company has devoted substantially all of its efforts to research and development, including clinical trials of its product candidates. The Company has not completed the development of any product candidates. Pharmaceutical drug product candidates, like those being developed by the Company, require approvals from the U.S. Food and Drug Administration ("FDA") or foreign regulatory agencies prior to commercial sales. There can be no assurance that any product candidates will receive the necessary approvals and any failure to receive approval or delay in approval may have a material adverse impact on the business and financial statements of the Company. The Company has never been profitable and has not yet commenced commercial operations. KalVista is subject to a number of risks and uncertainties similar to those of other life science companies developing new products, including, among others, the risks related to the necessity to obtain adequate additional financing, to successfully develop product candidates, to obtain regulatory approval of product candidates, to comply with government regulations, to successfully commercialize its potential products, to the protection of proprietary technology and to the dependence on key individuals.

The Company has funded its operations primarily through the issuance of preferred stock and grant income. As of April 30, 2017, the Company had an accumulated deficit of $55.9 million and cash and cash equivalents totaling $31.0 million. Management believes that the cash and cash equivalents at April 30, 2017 will be able to fund operations for at least 12 months beyond the date of issuance of the consolidated financial statements.

The Company will need to expend substantial resources for research and development, including costs associated with the clinical testing of its product candidates and will need to obtain additional financing to fund its operations and to conduct trials for its product candidates. The Company will seek to finance future cash needs through equity offerings, future grants, corporate partnerships and product sales.

The Company has never been profitable and has incurred significant operating losses in each year since inception. Cash requirements may vary materially from those now planned because of changes in the Company's focus and direction of its research and development programs, competitive and technical advances, patent developments, regulatory changes or other developments. Additional financing will be required to continue operations after the Company exhausts its current cash resources and to continue its long-term plans for clinical

trials and new product development. There can be no assurance that any such financing can be obtained by the Company, or if obtained, what the terms thereof may be, or that any amount that the Company is able to raise will be adequate to support the Company's working capital requirements until it achieves profitable operations. If adequate additional working capital is not secured when it becomes needed, the Company may be required to make reductions in spending, extend payment terms with suppliers, liquidate assets where possible and/or suspend or curtail planned research programs. Any of these actions could materially harm the business and prospects.

Note 2. Summary of Significant Accounting Policies

Principles of consolidation: The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Foreign currency: The functional currency of the Company's foreign subsidiary is the Great Britain Pound Sterling. Assets and liabilities of the foreign subsidiary are translated using the exchange rate existing on each respective balance sheet date. Revenues and expenses are translated using average exchange rates prevailing throughout the year. The translation adjustments resulting from this process are included as the only component of the accumulated other comprehensive loss. In addition, the Company's foreign subsidiary engages in transactions denominated and settled in currencies other than the functional currency, and transaction gains or losses are recorded in the consolidated statement of operations.

Segment Reporting: The Chief Operating Decision Maker, the CEO, manages the Company's operations as a single operating segment for the purposes of assessing performance and making operating decisions.

Cash and cash equivalents: Cash and cash equivalents consist of bank deposits and money market accounts. Cash equivalents are carried at cost which approximates fair value due to their short-term nature. The Company considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents.

The Company maintains its cash and cash equivalent balances with financial institutions that management believes are of high credit quality. The Company's cash and cash equivalent accounts at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk of cash and cash equivalents.

Research and development tax credit receivable: The research and development tax credit receivable consists of research and development expenses that have been claimed as research and development tax credits in accordance with the relevant U.K. tax legislation. These tax credits are payable to the Company in cash and are carried on the consolidated balance sheet at the amount claimed and expected to be received from the U.K. government.

Property and equipment: Property and equipment are stated at cost less accumulated depreciation. Expenditures for repairs and maintenance are charged to expense as incurred. Upon retirement or sale, the costs of the assets disposed of and the related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in the statement of operations. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which are as follows:

Asset Classification	Estimated Useful Life
Machinery and equipment	1-5 Years
Computer equipment	3-4 Years
Motor vehicles	4 Years
Leasehold improvements	5 Years or term of lease, if shorter

The Company assesses the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying value of such assets, or asset groups, may not be recoverable. Whenever events or changes in circumstances suggest that the carrying amount of long-lived assets may not be recoverable, the future undiscounted cash flows expected to be generated by the asset, or asset groups, from its use or eventual disposition is estimated. If the sum of the expected future undiscounted cash flows is less than the carrying amount of those assets, or asset groups, an impairment loss is recognized based on the excess of the carrying amount over the fair value of the assets, or asset groups.

Revenue recognition: The Company has primarily generated grant income for the development and commercialization of product candidates through sponsored research arrangements with non-profit organizations and from federal research and development grant programs. The Company recognizes revenue when amounts are realized or realizable and earned. Revenue is considered realizable and earned when the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the price is fixed or determinable; and (4) collection of the amounts due are reasonably assured. See Note 8.

Research and development: Research and development costs are expensed as incurred and include, but are not limited to:

- Employee-related expenses including salaries, benefits, travel, and share-based compensation expense for research and development personnel;
- Costs associated with preclinical and development activities;
- Costs associated with regulatory operations.

Income taxes: The Company uses the asset and liability method for accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company evaluates the realizability of its deferred tax assets and establishes a valuation allowance when it is more likely than not that all or a portion of deferred tax assets will not be realized. The Company has provided a full valuation allowance on its deferred tax assets.

Relative to accounting for uncertainties in tax positions, the Company recognizes the tax benefit of tax positions to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. For those tax positions where it is more likely than not that a tax benefit will be sustained, the Company records the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority having full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, the Company does not recognize a tax benefit in the financial statements.

The Company recognizes interest and penalties related to uncertain tax positions, if any, as a component of income tax expense. As the Company has no uncertain tax positions, there were no interest or penalties charges recognized in the statement of operations for both years.

Stock based compensation: The Company accounts for stock based compensation arrangements at fair value. The fair value is recognized over the period during which the recipient is required to provide services (usually the vesting period), on a straight-line basis.

Net Loss per Share Attributable to Common Shareholders: Basic and diluted net loss per share is presented in conformity with the two-class method required for participating securities. Under the two-class method, basic net loss per share is computed by dividing the net loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period. Net loss attributable to common stockholders is determined by allocating undistributed earnings between holders of common and convertible preferred shares, based on the contractual dividend rights contained in the preferred share agreement. Where there is an undistributed loss, no amount is allocated to the convertible preferred shares. Diluted net loss per share is computed by dividing net loss by the sum of the weighted average number of common stock and the number of dilutive potential common stock equivalents outstanding during the period. Potential dilutive common share equivalents consist of the incremental common shares issuable upon the exercise of vested share options or the conversion of preferred stock.

Potential dilutive common share equivalents consist of:

	April 30,		
	2017	2016	2015
Preferred stock	—	24,322,898	24,322,898
Stock options	148,469	76,643	62,424

In computing diluted earnings per share, common stock equivalents are not considered in periods in which a net loss is reported, as the inclusion of the common stock equivalents would be anti-dilutive. As a result, there is no difference between the Company's basic and diluted loss per share in the periods presented (in thousands, except share and per share amounts).

Basic and diluted net loss per share	April 30,		
	2017	2016	2015
Net loss	$ (18,603)	$ (11,436)	$ (7,226)
Less: dividend on Series A	(935)	(1,918)	(1,977)
Less: dividend on Series B	(1,237)	(2,121)	—
Loss available to common stockholders	(20,775)	(15,475)	(9,203)
Weighted average common shares, basic and diluted	4,646,764	591,298	263,358
Net loss per share, basic and diluted	$ (4.47)	$ (26.17)	$ (34.94)

The weighted average shares outstanding, reported loss per share and potential dilutive common share equivalents for the periods prior to November 21, 2016, the date of the Carbylan transaction, have been retrospectively adjusted to reflect historical weighted-average number of common shares outstanding multiplied by the exchange ratio established in the share purchase agreement.

Fair value measurement: The Company classifies fair value measurements using a three-level hierarchy that prioritizes the inputs used to measure fair value. This 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, quoted market prices in active markets for identical assets or liabilities; Level 2, observable inputs other than quoted market prices included in Level 1, such as quoted market prices for markets that are not active or other inputs that are observable or can be corroborated by observable market data; and Level 3, unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities, including certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Company's financial instruments as of April 30, 2017 and 2016 consisted primarily of cash and cash equivalents, grants receivable and accounts payable. The carrying amount of these assets and liabilities approximate fair value given the short term maturity of these instruments.

Correction: The statements of operations and comprehensive loss for the years ended April 30, 2016 and 2015 have been restated to correct errors in the foreign currency translation adjustments which were reported as a gain rather than a loss and to correct the resulting summation of comprehensive loss. As a result of the correction of these errors, the total comprehensive loss for the year ended April 30, 2016 increased from a loss of $9,196,000 to a loss of $13,676,000, and the total comprehensive loss for the year ended April 30, 2015 increased from a loss of $7,070,000 to a loss of $7,382,000. There is no impact on the Company's previously reported net loss, the balance sheet, the statement of changes in convertible preferred shares and stockholders' equity (deficit) or the statement of cash flows for any period.

Recently issued accounting pronouncements not yet adopted: In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards update ("ASU") 2014-09, "Revenue from Contracts with Customers," requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in US GAAP when it becomes effective and permits the use of either the retrospective or cumulative effect transition method. In July 2015, the FASB voted to defer the effective date for annual reporting periods beginning after December 15, 2017 (including interim reporting periods within those periods) and permitted early adoption of the standard, but not before the original effective date of December 15, 2016. The Company expects to adopt the updated standard in the first quarter of fiscal 2019 using the modified retrospective method of adoption. The Company is assessing the impact that adoption of this new guidance will have on the consolidated financial statements.

In February 2016, the FASB issued new lease accounting guidance in ASU No. 2016-02, "Leases" (Topic 842). Under the new guidance, lessees will be required to recognize for all leases (with the exception of short-term leases) at the commencement date: (1) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (2) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The new lease guidance is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted, however, the Company does not intend to early adopt. The Company is assessing the impact that adoption of this new guidance will have on the consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, "Compensation – Stock Compensation" ("ASU 2016-09") to require changes to several areas of employee share-based payment accounting in an effort to simplify share-based reporting. The update revises requirements in the following areas: minimum statutory withholding, accounting for income taxes and forfeitures. ASU 2016-09 is effective for annual reporting periods beginning after December 15, 2016. The Company is currently evaluating the impact that the adoption of this guidance may have on the consolidated financial statements.

In November 2016 the FASB issued ASU 2016-18, "Statement of Cash Flows (Topic 230), Restricted Cash" ("ASU 2016-18"). The new standard requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The standard is effective for annual periods beginning after December 15, 2017, and interim periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact of this update on the consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments" ("ASU 2016-15"). The amendments in this update clarify how entities should classify certain cash receipts and cash payments on the Consolidated Statements of Cash Flows. The new guidance also clarifies how the predominance principle should be applied when cash receipts and cash payments have aspects of more than one class of cash flows. ASU 2016-15 will be effective for annual periods beginning after

December 15, 2017, including interim periods within those annual reporting periods, but early adoption is permitted. The Company is currently evaluating the impact of this update on the consolidated financial statements.

Recently adopted accounting pronouncements

In August 2014, the FASB issued ASU 2014-15, “Presentation of Financial Statements—Going Concern,” on disclosure of uncertainties about an entity’s ability to continue as a going concern. This guidance addresses management’s responsibility in evaluating whether there is substantial doubt about a company’s ability to continue as a going concern and to provide related footnote disclosures. The Company adopted this standard in its fiscal year ended April 30, 2017.

Note 3. Property and Equipment

At April 30, 2017 and 2016, property and equipment consisted of (in thousands):

	2017	2016
Laboratory equipment	$ 373	$ 358
Office equipment	31	58
Furniture & Fixtures	6	2
	410	418
Less accumulated depreciation	(313)	(344)
	$ 97	$ 74

For the years ended April 30, 2017, 2016 and 2015, depreciation expense was $40,000, $33,000 and $38,000, respectively.

Note 4. Accrued Expenses

At April 30, 2017 and 2016, accrued expenses consisted of (in thousands):

	2017	2016
Accrued research expense	$ 348	$ 1,059
Accrued compensation	1,300	966
Accrued professional fees	146	60
Other accrued expenses	71	29
	$ 1,865	$ 2,114

Note 5. Related Party Transactions

On May 23, 2011, the Company entered into a sale and purchase agreement with Vantia Limited whereby, in return for a consideration of 500,000 Series A Preferred Shares in the Company at a subscription price of $1.61 per share, Vantia Limited transferred certain intellectual property and other business assets to the Company. Certain employees of Vantia Limited were also transferred to the Company as part of this transaction and the two entities shared common directors.

On May 23, 2011, the Company entered into an agreement with Vantia Limited. The Company continued to pay Vantia for management fees and related expenses, which consist primarily of the cost of two Vantia employees who perform services for the Company and other administrative expenses. During the years ended April 30, 2017, 2016 and 2015, the Company expensed $0.4 million, $1.0 million and $1.2 million for services performed by Vantia Limited. As of April 30, 2016, the Company had recorded $127,000 within current liabilities for amounts due to Vantia Limited. Following the Carbylan transaction Vantia Limited ceased being a related party.

Note 6. Carbylan Transaction

On November 21, 2016, KalVista Pharmaceuticals Limited ("KalVista Limited") completed a share purchase transaction with Carbylan Therapeutics Inc. ("Carbylan") whereby immediately following the transaction Carbylan's equity holders owned 19% and KalVista Limited's equity holders owned 81% of the combined company, respectively. As a result, Carbylan issued approximately 7.8 million shares of common stock to the stockholders of KalVista Limited in exchange for all shares of KalVista Limited. Approximately 1.9 million shares were retained by the Carbylan stockholders. The combined company was renamed KalVista Pharmaceuticals, Inc. following the transaction. For accounting purposes, KalVista Limited is considered to be acquiring Carbylan in the transaction, which was determined based upon the terms of the share purchase agreement and other factors including: (i) KalVista Limited security holders own approximately 81% of the voting interests of the combined company immediately following the closing of the transaction; (ii) directors appointed by KalVista Limited hold a majority of board seats in the combined company; and (iii) KalVista Limited management hold all of the key positions in the management of the combined company. As the accounting acquirer, KalVista Limited's assets and liabilities were recorded at their pre-combination carrying amounts and the historical operations that are reflected in the financial statements are those of KalVista Limited. The Company incurred $5.6 million of nonrecurring expenses for the year ended April 30, 2017, related to severance, legal and other professional services in connection with the transaction.

The Company's consolidated financial statements reflect Carbylan's results of operations beginning after November 21, 2016. The results of operations subsequent to November 21, 2016 have not been significant.

KalVista has concluded that the transaction represents a business combination. Under the acquisition method of accounting, the total purchase price is allocated to the acquired tangible and intangible assets and assumed liabilities of Carbylan based on estimated fair values as of the transaction closing date. Carbylan had no significant commercial operations and its only significant pre-combination net assets were cash and cash equivalents, accounts payable and accrued expenses which were already recognized at fair value. The Company is still evaluating the potential use or disposition of the Carbylan intellectual property. Pursuant to this reverse acquisition, the Company recorded the shares of common stock held by Carbylan shareholders at the fair value of Carbylan's net monetary assets received at November 21, 2016 as these values were considered a more reliable indicator of fair value than the trading value of the shares. No goodwill or intangible assets were recorded in the transaction.

The preliminary allocation of the total purchase price to the acquired assets and liabilities assumed of Carbylan based on the fair values as of November 21, 2016 is as follows (in thousands):

Cash and cash equivalents	$	34,139
Prepaid expenses and other current assets		70
Accounts payable, accrued expenses and other liabilities		(3,631)
Net assets acquired	$	30,578

In connection with the share purchase transaction, the Company replaced the options previously granted to purchase shares of KalVista Limited with options to purchase shares of KalVista Pharmaceuticals, Inc. The Company assessed the replacement awards and determined there was no compensation expense to record related to the modification.

Note 7. Stockholders' Equity

Prior to the Carbylan transaction, the Company had three classes of shares: Series B Convertible Preferred, Series A Convertible Preferred, and Ordinary, all of which had a par value of $0.0016. Per the terms of the Share Purchase Agreement, the three classes of stock were converted into common shares with a par value of $0.001.

In March 2017, the Company established the 2017 Employee Stock Purchase Plan. There are 100,000 shares of common stock available for issuance under the plan.

Note 8. Grant Income

Grant income is recognized through two agreements. The first agreement is with the Technology Strategy Board (TSB), a United Kingdom government organization. The Company recognizes revenue for reimbursements of qualifying research and development costs as the services are performed. The Company records these reimbursements as revenue and not as a reduction of research and development expenses, as the Company has the risks and rewards as the principal in the research and development activities. Any services performed and not yet collected upon are shown as a receivable. During the years ended April 30, 2017, 2016 and 2015, revenue recognized through the TSB grant amounted to $1.2 million, $1.8 million and $1.5 million, respectively. The TSB has authorized a total amount of $7.3 million over the lifetime of the agreements between us and the TSB, to accelerate the development of the oral drug program, of which $5.9 million was received or was due to be received as of April 30, 2017.

The second agreement is with the JDRF, a non-profit organization. The Company applies the milestone method of accounting to recognize revenue from milestone payments when earned, as evidenced by written acknowledgement from the grantor and other persuasive evidence that the milestone has been achieved and the payment is non-refundable, provided that the milestone event is substantive. A milestone event is defined as an event (i) that can only be achieved based in whole or in part on either the Company's performance or on the occurrence of a specific outcome resulting from the Company's performance; (ii) for which there is substantive uncertainty at the inception of the arrangement that the event will be achieved; and (iii) that would result in additional payments being due to the Company. Events for which the occurrence is either contingent solely upon the passage of time or the result of a counterparty's performance are not considered to be milestone events. A milestone event is substantive if all of the following conditions are met: (i) the consideration is commensurate with either the Company's performance to achieve the milestone, or the enhancement of the value to the delivered item(s) as a result of a specific outcome resulting from the Company's performance to achieve the milestone; (ii) the consideration relates solely to past performance; and (iii) the consideration is reasonable relative to all the deliverables and payment terms (including other potential milestone consideration) within the arrangement.

The Company assesses whether a milestone is substantive at the inception of the arrangement. If a milestone is deemed non-substantive, the Company accounts for that milestone payment in accordance with the multiple element arrangements guidance and recognizes revenue consistent with the related units of accounting for the arrangement over the related performance period.

The Company had a contract in process with JDRF that was accounted for under the milestone method. Milestones included, for example, the successful completions of clinical trials, development of certain reports, and different review/approval processes. All milestones under the contract in process were deemed substantive based on the fact that the payments are commensurate with the Company's efforts to achieve the milestone event and the milestones are related to past performance and are non-refundable. During the years ended April 30, 2017, 2016 and 2015, revenue recognized through the achievement of multiple milestones amounted to $0.2 million, $0.3 million and $0.3 million, respectively. The last milestone in the JDRF contract was met in May 2016 and no additional revenue is due from this contract. There are no performance, cancellation, termination or refund provisions in the arrangement that contain material financial consequences to the Company.

The Company evaluates the terms of sponsored research agreement grants and federal grants to assess the Company's obligations and if the Company's obligations are satisfied by the passage of time, revenue is recognized as described above. For grants with refund provisions, the Company reviews the grant to determine the likelihood of repayment. If the likelihood of repayment of the grant is determined to be remote, the grant is recognized as revenue. If the probability of repayment is determined to be more than remote, the Company records the grant as a deferred revenue liability, until such time that the grant requirements have been satisfied.

Note 9. Stock-Based Compensation

The Company has three plans that provide for equity-based compensation. There are two legacy plan that were maintained by Carbylan and KalVista Limited and for which no further grants are to be made. Under the 2017 Equity Incentive Plan, 1,000,000 shares of KalVista's Common Stock are reserved for issuance upon exercise of

stock options. During the year ended April 30, 2017, 85,055 stock options were granted outside of equity incentive plans as inducement stock options to new employees.

New hire grants generally vest 25% after one year and then ratably on a monthly basis over the next three years. Recurring grants typically vest on a monthly basis over four years. Stock option grants expire after ten years.

The Company recognizes stock-based compensation expense over the requisite service period based on the grant date fair value of the award. The Company has elected to use the Black-Scholes option pricing model to determine the fair value of awards granted. The determination of the fair value of stock-based awards utilizing the Black-Scholes model is affected by the share price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. Due to insufficient history of the Company's stock price, the stock-price volatility assumption is based on the historical volatility of a peer group of publicly traded companies. The expected life of the awards is estimated based on the simplified method. The risk-free interest rate assumption is based on observed interest rates appropriate for the terms of the awards. The dividend yield assumption is based on history and expectation of paying no dividends. Forfeitures have not been material in the periods presented.

The fair value of the share-based awards was measured with the following weighted-average assumptions for the fiscal years ended April 30:

	2017	2016	2015
Risk-free interest rate	2.08%	1.38%	1.84%
Expected life of the options	6.25 years	6.25 years	6.25 years
Expected volatility of the underlying stock	82.3%	80.9%	85.1%
Expected dividend rate	0%	0%	0%

For the years ended April 30, 2017, 2016 and 2015, the Company recognized share-based compensation expense of $394,000, $118,000 and $36,000, respectively. Stock-based compensation was reflected in the Company's consolidated statement of operations and comprehensive loss as follows (in thousands):

	Year ended April 30,		
	2017	2016	2015
Research and development	$ 143	$ 118	$ 36
General and administrative	251	—	—
Total stock-based compensation expense	$ 394	$ 118	$ 36

A summary of option activity for the year endeed April 30, 2017 and changes during the years then ended is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Outstanding at May 1, 2016	855,790	$ 0.004	8.68	$ —
Exercised	(126,948)	.003		
Effect of Carbylan transaction	(516,680)			
Granted	326,203	7.94		
Cancelled	(597)	.004		
Outstanding at April 30, 2017	537,768	$ 4.82	9.05	$ 1,631
Exercisable at April 30, 2017	148,469	$ 1.66	7.88	$ 890
Vested and expected to vest at April 30, 2017	537,768	$ 4.82	9.05	$ 1,631

The weighted-average grant date fair value of stock options granted during the years ended April 30, 2017, 2016 and 2015 was $5.68, $1.41 and $1.44, respectively.

As of April 30, 2017, there was $1.6 million of unrecognized compensation expense related to unvested awards, which is expected to be recognized over a weighted-average period of 2.94 years

Note 10. Commitments and Contingencies

Lease commitments: The Company is party to several operating leases for office and laboratory space as well as certain lab equipment. Rent expense was $0.5 million, $0.1 million and $0.1 million for the years ended April 30, 2017, 2016 and 2015, respectively, and is reflected in general and administrative expenses and research and development expenses as determined by the underlying activities.

Future minimum payments under these leases as of April 30, 2017 are as follows (in thousands):

Year ended April 30:		
2018	$	506
2019		435
2020		261
2021		228
2022 and thereafter		328
Total	$	1,758

Indemnification: In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnification. The Company's exposure under these agreements is unknown because it involves future claims that may be made against the Company but have not yet been made. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. However, the Company may record charges in the future as a result of these indemnification obligations. No amounts associated with such indemnifications have been recorded to date.

Contingencies: From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of business activities. The Company accrues a liability for such matters when it is probable that future expenditures will be made and such expenditures can be reasonably estimated. There have been no contingent liabilities requiring accrual at April 30, 2017 and 2016.

As a result of the terms of grant income received in prior years, upon successful regulatory approval and following the first commercial sale of certain products, the Company will be required to pay royalty fees of up to £1 million within 90 days of the first commercial sale of the product subject to certain caps and follow on payments depending upon commercial success and type of product. Given the stage of development of the current pipeline of products it is not possible to predict with certainty the amount or timing of any such liability.

Note 11. Income Taxes

The Company has incurred net losses since inception and, consequently, has not recorded any U.S. Federal and state income tax expense or benefit for the years presented. In 2017, $2.1 million of the Company's pre-tax loss was domestic and $16.5 million was foreign. The pre-tax losses in fiscal years 2016 and 2015 were all from the Company's U.K. operations. The Company files tax returns in the United Kingdom as well as U.S. Federal and various State tax returns. Tax years 2017 and 2016 in the U.K. subsidiary remain open to examination by the Her Majesty's Revenue and Customs ("HMRC"). Further, HMRC will be able to open an inquiry under the 'discovery assessment' for the 2014 tax year until April 30, 2018 if HMRC discovers facts which were not disclosed or readily inferable from the tax returns or accounts. The U.S. returns are open for all tax years since inception. The Company is not currently under examination in any jurisdiction for any tax years.

A reconciliation between the effective tax rates and statutory rates for the years ended April 30, is as follows:

	2017	2016	2015
Income tax benefit at U.S. federal statutory rate	34.00%	34.00%	34.00%
Foreign rate differential	(11.72)%	(14.00)%	(13.08)%
Nondeductible expenses	(9.16)%	(6.85)%	(5.24)%
Other	(1.29)%	—	—
Valuation allowance	(11.83)%	(13.15)%	(15.68)%
	0.00%	0.00%	0.00%

The Company has net operating loss carry forwards available to offset future taxable income for federal and state income tax purposes. The ability to utilize the Company's domestic net operating losses is limited due to changes in ownership as defined by Section 382 of the Internal Revenue Code (the "Code"). Under the provisions of Sections 382 and 383 of the Code, a change of control, as defined in the Code, imposes an annual limitation on the amount of the Company's net operating loss and tax credit carryforwards, and other tax attributes that can be used to reduce future tax liabilities. The Company determined that an ownership change occurred as a result of the Company's transaction in November 2016. As a result of this ownership change, the Company's U.S. federal and California NOL's may be limited to the extent of recognizing any previously unrecognized built-in gains of Carbylan as of November 2016.

The tax effect of significant temporary differences representing deferred tax assets and liabilities as of April 30, 2017 and 2016 is as follows (in thousands):

	2017	2016
Net operating loss ("NOL") carryforwards	$ 5,602	$ 2,756
Other	282	90
Valuation allowance	(5,884)	(2,846)
Net deferred tax asset	$ —	$ —

Management of the Company has evaluated the positive and negative evidence bearing upon the realizability of its deferred tax assets, which are comprised principally of NOL carryforwards. As a result of the fact that the Company has incurred tax losses from inception, management has determined that it is more likely than not that the Company will not recognize the benefits of net deferred tax assets and, as a result, a full valuation allowance has been established against its net deferred tax assets as of April 30, 2017 and 2016. During the years ended April 30, 2017, 2016 and 2015, the valuation allowance changed by $3.0 million, $0.4 million and $0.5 million, respectively. Realization of deferred tax assets is dependent upon the generation of future taxable income. As of April 30, 2017, the Company had NOL carryforwards for federal income tax purposes of approximately $1.3 million that begin to expire in 2024 through 2037, NOL carryforwards for state income taxes of $1.3 million that begin to expire in 2026 through 2037 and NOL carryforwards for U.K. income taxes of $26.7 million that do not expire.

The Company recognizes the financial statement effects of a tax position when it becomes more likely than not, based upon the technical merits, that the position will be sustained upon examination. The Company has no unrecognized tax benefits as of April 30, 2017 and April 30, 2016, respectively. The Company does not expect any material changes in the next 12 months in unrecognized tax benefits. The Company has not recognized interest and penalties related to uncertain tax positions.

Note 12. Defined Contribution Plans

Participation in a personal pension plan is available to all U.K. based employees of the Company upon commencement of their employment. Employer contributions are made in accordance with the terms and conditions of the employment contract. Employees may contribute in accordance with the prevailing statutory limitations. Full-time employees of the U.S. parent company are eligible to participate in the Company's 401(k) Plan. The Company

will match up to 4% of employee contributions to the Plan. Total employer contributions to both plans for the years ended April 30, 2017, 2016 and 2015 were $90,000, $70,000 and $66,000 respectively.

Note 13. Other Income

As of April 30, 2017 and 2016, the Company had research and development tax credits totaling $2.2 million and $1.9 million, respectively. This tax credit is related to a tax scheme for small and medium enterprises in the United Kingdom as well as the R&D expenditure credit system. The Company is able to file a claim for cash credit in proportion to the Company's R&D expenditure for the year. This amount was included in other income, as it is a refundable credit that does not depend on the Company's ongoing tax status or position. The Company recognized $2.3 million, $2.0 million and $0.8 million related to these programs in the years ended April 30, 2017, 2016 and 2015, respectively.

Note 14. Subsequent Events

In May 2017, the Company entered into a lease for approximately 2,700 square feet of office space in Cambridge, MA, that the Company anticipates to occupy in late 2017. The lease has a term of 5 years and annual rent expense will range from approximately $220,000 to $232,000.

In June 2017, the Company entered into a lease agreement for laboratory equipment to be used in the U.K. research facility. This lease requires a prepayment of approximately $200,000 and the remaining payments of approximately $18,000 per month will be made over a two year term.

Note 15. Unaudited Quarterly Financial Information (in thousands):

	Quarter ended July 31, 2016	Quarter ended October 31, 2016	Quarter ended January 31, 2017	Quarter ended April 30, 2017
Grant income	$ 975	$ 197	$ 248	$ 114
Operating expenses	6,095	4,223	8,365	5,200
Net loss	(3,436)	(3,297)	(7,644)	(4,202)
Net loss per share	$ (6.66)	$ (5.98)	$ (1.03)	$ (0.43)

	Quarter ended July 31, 2015	Quarter ended October 31, 2015	Quarter ended January 31, 2016	Quarter ended April 30, 2016
Grant income	$ 839	$ 667	$ 348	$ 314
Operating expenses	3,302	4,192	4,163	5,400
Net loss	(1,716)	(2,599)	(1,952)	(4,869)
Net loss per share	$ (5.23)	$ (5.95)	$ (4.85)	$ (9.37)

Exhibit Index

Exhibit Number	Description of Document	Incorporated by reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
2.1**	Share Purchase Agreement, dated as of June 15, 2016, by and among Carbylan Therapeutics, Inc., KalVista Pharmaceuticals Ltd, and the shareholders of KalVista Pharmaceuticals Ltd., and solely for the purposes of being bound by certain provisions therein and solely in such person's capacity as the Seller Representative, Andrew Crockett	8-K	001-36830	2.1	June 15, 2016	
2.2	Support Agreement, dated as of June 15, 2016, by and among KalVista Pharmaceuticals Ltd and certain stockholders and option holders of Carbylan Therapeutics, Inc.	8-K	001-36830	2.1	June 15, 2016	
2.3	Form of Lock-up Agreement entered into by Carbylan Therapeutics, Inc. and certain stockholders and optionholders of KalVista Pharmaceuticals Ltd.	8-K	001-36830	2.1	June 15, 2016	
3.1	Amended and Restated Certificate of Incorporation.	S-1/A	333-201278	3.2	January 23, 2015	
3.2	Certificate of Amendment of Amended and Restated Certificate	8-K	001-36830	3.1	November 23, 2016	
3.3	Certificate of Amendment of Amended and Restated Certificate	8-K	001-36830	3.2	November 23, 2016	
3.4	Amended and Restated Bylaws.	8-K	001-36830	3.2	April 16, 2015	
4.1	Form of Common Stock Certificate.	S-1/A	333-201278	4.2	January 23, 2015	
4.2	Registration Rights Agreement, dated June 15, 2016, by and among the Registrant and the Sellers.	8-K	001-36930	10.1	November 21, 2016	
10.1#	Form of Indemnification Agreement.	S-1	333-201278	10.14	December 29, 2014	
10.2#	Carbylan's 2015 Incentive Plan and forms of award agreements.	S-1/A	333-201278	10.3	January 23, 2015	
10.3#	2017 Equity Incentive Plan.	DEF 14A	001-36830	Appendix A	March 2, 2017	
10.4#	2017 Employee Stock Purchase Plan.	DEF 14A	001-36830	Appendix B	March 2, 2017	
10.5#	Employment Agreement between the Registrant and T. Andrew Crockett, dated March 14, 2017.	10-Q	001-36830	10.1	March 16, 2017	
10.6#	Employment Agreement between the Registrant and Benjamin L. Palleiko, dated March 14, 2017.	10-Q	001-36830	10.2	March 16, 2017	
10.7	Executive Employment Agreement, dated May 30, 2013, by and between the Registrant and David Renzi	S-1	333-201278	10.7	December 29, 2015	
10.8	Separation Agreement, dated November 22, 2016 by and between the Registrant and David Renzi.					X

Exhibit Number	Description of Document	Incorporated by reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.9	Amended and Restated Employment Agreement Letter dated July 21, 2014, by and between the Registrant and Marcee M. Maroney.	S-1	333-201278	10.10	December 29, 2015	
10.10	Separation Agreement, dated November 22, 2016 by and between the Registrant and Marcee Maroney.					X
10.11	Amended and Restated Employment Agreement between the Registrant and John McKune dated April 15, 2016, as amended November 21, 2016.					X
10.12	Office Lease Agreement by and between the Registrant and 55 Cambridge Parkway, LLC, dated May 30, 2017.					X
21.1	Subsidiary of the Registrant.					X
23.1	Consent of Deloitte LLP					X
23.2	Consent of Deloitte & Touche LLP					X
24.1	Power of Attorney. (See signature page hereto.)					X
31.1	Certification of Principal Executive Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	XBRL Instance Document.					X
101.SCH	XBRL Taxonomy Extension Schema Document.					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.					X
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document.					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.					X

Management contract or compensatory plan or arrangement.

* This certification is deemed not filed for purpose of section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

** All schedules and exhibits to the Share Purchase Agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the Securities and Exchange Commission upon request.

Exhibit 10.8

SEPARATION AGREEMENT

This Separation Agreement (the "Agreement") by and between Mr. David M. Renzi ("Executive") and KalVista Pharmaceuticals, Inc., formerly known as Carbylan Therapeutics, Inc., (the "Company") is made effective eight (8) days after Executive's signature hereto (the "Effective Date"), unless Executive revokes his or her acceptance of this Agreement as provided in Section S(c) below. Any reference to the Company throughout this Agreement shall include the Company, its subsidiaries and any successors thereto.

A. The Company anticipates closing those certain transactions (the "Transactions") with KalVista Pharmaceuticals Ltd. ("KalVista") contemplated by that certain Share Purchase Agreement (the "Share Purchase Agreement") dated as of June 15, 2016, by and between the Company, KalVista, the shareholders of KalVista and, solely for the purposes of being bound by certain provisions therein and solely in such person's capacity as the Seller Representative, Andrew Crockett.

B. Executive's employment with the Company and status as an officer, director and employee of the Company and each of its affiliates will end effective upon the Termination Date (as defined below).

C. Executive and the Company want to end their relationship amicably and also to establish the obligations of the parties including, without limitation, all amounts due and owing to Executive.

D. The payments and benefits being made available to Executive pursuant to this Agreement are intended to satisfy all outstanding obligations under that certain employment letter agreement by between Executive and the Company, dated as of May 30, 2013 (the "Employment Agreement").

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. Termination Date. Executive acknowledges and agrees that Executive's status as an officer, director and employee of the Company and as an officer and/or director of the Company's subsidiaries will end effective as of the close of business on the closing of the Transactions (the "Termination Date"). Executive hereby agrees to execute such further document(s) as shall be determined by the Company as necessary or desirable to give effect to the termination of Executive's status as an officer and, if applicable, director of the Company and each of its subsidiaries: *provided* that such documents shall not be inconsistent with any of the terms of this Agreement. If the Transactions do not close and the Share Purchase Agreement is terminated, this Agreement will be null and void, and Executive's relationship with the Company will continue under those agreements that pre-date this Agreement as if this Agreement has never existed.

2. Final Paycheck: Payment of Accrued Wages and Expenses.

(a) *Final Paycheck*. As required by law, the Company will pay Executive all accrued but unpaid base salary and all accrued and unused vacation earned through the Termination

Date, subject to standard payroll deductions and withholdings. Executive is entitled to these payments regard less of whether Executive executes this Agreement.

(b) *Business Expenses*. Executive agrees that Executive has submitted Executive's final documented expense reimbursement statement reflecting all business expenses Executive incurred through the Termination Date, if any, for which Executive seeks reimbursement. The Company will reimburse Executive for these expenses, if any, pursuant to its regular business practice.

(c) *Equity Awards*: Pursuant to, and subject to the terms and conditions of the Share Purchase Agreement, the vesting of each option to purchase Company com mon stock held by Executive shall accelerate in full as of immediately prior to the closing of the Transactions, and at the time of closing (i) if the option(s) is "in-the-money", it will be net exercised such that Executive will automatically receive Company common stock (subject to an offset for withholding obligations) and (ii) if the option(s) is not "in-the-money" it will be terminated for no consideration. An option will be considered "in-the-money" if it has an exercise price per share less than the volume weighted average closing trading price of a share of Company com mon stock on The NASDAQ Global Market for the ten trading days ending the trading day immediately prior to the date upon which the Transaction becomes effective.

3. Separation Payments and Benefits. Without admission of any liability, fact or claim, the Company hereby agrees, subject to Executive's execution and non-revocation of this Agreement and Executive's performance of his or her continuing obligation s pursuant to this Agreement, the Employment Agreement and that certain Confidential Information and Invention Assignment Agreement entered into between Executive and the Company (the "Confidentiality Agreement"), to provide Executive the severance benefits set forth below. Specifically, the Company and Executive agree as follows:

(a) *Severance*. The Company shall continue to pay to Executive his or her base salary at the rate in effect as of immediately prior to the Termination Date for the period of time commencing on the Termination Date and ending on the twelve (12) month anniversary of the Termination Date (such period, the "Severance Period" and such payment s, the "Cash Severance"). Such Cash Severance payments shall be made in accordance with the Company's standard payroll practices, less applicable withholdings and deductions, with each payment deemed to be a separate payment for purposes of Section 409A of the Code. The first such Cash Severance payment shall commence on the first payroll date following the Effective Date, which shall include amounts otherwise due and payable under this Section 3(a) on or before such date. In the event of Executive's death during the Severance Period, the remaining Cash Severance shall be pa id to Executive's estate.

(b) *Retention Bonus*. The Company will pay to Executive $144,102 less applicable withholdings and deductions, which represents the cash bonus Executive is entitled to under the Company's 2016 Retention Bonus Plan. Such retention bonus shall be paid to Executive on the first payroll date following the Effective Date.

(c) *Healthcare Continuation Coverage*. If Executive elects to receive continued healthcare coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents through the earlier of (i) the end of the

Severance Period or (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s); provided that, if the Company determines that it cannot provide such continued health benefits without potentially violating applicable law or incurring additional expense for non-compliance under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will provide to Employee in lieu thereof a lump-sum payment in an amount equal to the then-remaining premiums for the remainder of the Severance Period of such continued health benefits, which payment will be made regardless of whether Employee elects COBRA continuation coverage. After the Company ceases to pay premiums pursuant to the preceding sentence, Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance with the provisions of COBRA. Executive acknowledges that Executive shall be solely responsible for all matters relating to Executive's continuation of coverage pursuant to COBRA, including, without limitation, Executive's election of such coverage and Executive's timely payment of premiums.

(d) *Taxes*. Executive understands and agrees that all payments under this Section 3 will be subject to appropriate tax withholding and other deductions. To the extent any taxes may be payable by Executive for the benefits provided to Executive by this Section 3 beyond those withheld by the Company, Executive agrees to pay them himself or herself and to indemnify and hold the Company and the other entities released herein harmless for any tax claims or penalties, and associated attorneys' fees and costs, resulting from any failure by him or her to make required payments. To the extent that any reimbursements payable pursuant to this Agreement are subject to the provisions of Section 409A of the Code, such reimbursements shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(e) *SEC Reporting*. Executive acknowledges that to the extent required by the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Executive will have continuing obligations under Section 16(a) and 16(b) of the Exchange Act to report his or her transactions in Company common stock for six (6) months following the Termination Date. Executive hereby agrees not to undertake, directly or indirectly, any reportable transactions which include, but are not limited to, buying, selling or otherwise disposing of any common stock of the Company held by Executive until the end of such six (6) month period.

(f) *Sole Separation Benefit*. Executive agrees that the payments provided by this Section 3 are not required under the Company's normal policies and procedures and are provided as a severance solely in connection with this Agreement and the Employment Agreement. Thus, for any Company sponsored employee benefits not referenced in this Agreement, Executive will be treated as a terminated employee effective on the Termination Date. This includes but is not limited to the Company's 401(k) plan and Company sponsored life insurance and long-term disability insurance. Executive acknowledges and agrees that the payments referenced in this Section 3 constitute adequate and valuable consideration, in and of themselves, for the promises contained in this Agreement.

4. Full Payment. Executive acknowledges that the payment and arrangements herein shall constitute full and complete satisfaction of any and all amounts properly due and owing to Executive as a result of Executive's employment with the Company and the termination thereof. Executive

further acknowledges that, other than the Confidentiality Agreement and Section 9 (NonSolicitation) of the Employment Agreement, this Agreement shall supersede each agreement entered into between Executive and the Company regarding Executive's employment, including, without limitation, the Employment Agreement (except Section 9), and each such agreement shall be deemed terminated and of no further effect as of the Termination Date.

5. Executive's Release of the Company. Executive understands that by agreeing to the release provided by this Section 5, Executive is agreeing not to sue, or otherwise fi le any claim against, the Company or any of its employees or other agents for any reason whatsoever based on anything that has occurred as of the date Executive signs this Agreement.

(a) On behalf of Executive and Executive's heirs and assigns, Executive hereby releases and forever discharges the "Releasees" hereunder, consisting of the Company, KalVista, and their respective parent and subsidiary entities, and their respective directors, officers, employees, shareholders, stockholders, partners, agents, attorneys, predecessors, successors, insurers, employee benefit plans, affiliates and assigns, of and from any and all claims, liabilities and obligations, both known and unknown, arising out of or in any way related to events, acts, conduct, or omissions occurring at any time prior to or at the time that Executive signs this Agreement (collectively the "Released Claims"). The Released Claims include, but are not limited to: (1) all claims arising out of or in any way related to Executive's employment with the Company (or its successor) or the termination of that employment; (2) all claims related to Executive's compensation or benefits, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership or equity interests in the Company; (3) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing (including, but not limited to, any claims based on or arising from this Agreement or the Employment Agreement); (4) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public pol icy; and (5) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys• fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act (as amended) ("ADEA".), the federal Family and Medical Leave Act (as amended) ("FM LA"), the California Family Rights Act, the California Labor Code (as amended), and the California Fair Employment and Housing Act (as amended).

(b) Notwithstanding the generality of the foregoing, Executive does not release the following claims:

(i) Executive's rights under this Agreement:

(ii) any payments Executive is entitled to under the Share Purchase Agreement;

(iii) any rights or claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law:

(iv) any rights or claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(v) any rights or claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of COBRA.

(vi) any rights or claims to any rights and benefits under this Agreement or benefit entitlements vested as of the date of Executive's employment termination, pursuant to written terms of any Company employee benefit plan, including, without limitation, the terms of any Company equity compensation plan and/or any equity compensation agreement between Executive and the Company;

(vii) any rights or claims for indemnification Executive may have pursuant to any written indemnification agreement with the Company to which Executive a party, the charter, bylaws, or operating agreements of the Company, applicable law, California Labor Code Section 2802, or applicable directors and officer's liability insurance:

(viii) any other rights or claims that cannot be released as a matter of law; and

(ix) Executive's right to bring to the attention of the Equal Employment Opportunity Commission claims of discrimination; *provided*, *however*, that Executive does release Executive's right to secure any damages for alleged discriminatory treatment.

(c) In accordance with the Older Workers Benefit Protection Act of 1990, Executive has been advised of the following: Executive acknowledges that Executive is knowingly and voluntarily waiving and releasing any rights Executive may have under the ADEA. Executive also acknowledges that the consideration given for the waiver and release herein is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that Executive has been advised by this writing, as required by the ADEA, that: (i) Executive's waiver and release do not apply to any rights or claims that may arise after the execution date of this Agreement; (ii) Executive has been advised hereby that Executive has the right to consult with an attorney prior to executing this Agreement; (iii) Executive has forty-five (45) days from the date of this Agreement to execute this Agreement (although Executive may choose to voluntarily execute this Agreement earlier); (iv) Executive has seven (7) days following the execution of this Agreement by Executive to revoke the Agreement, and Executive will not receive the benefits provided by Section 3 of the Agreement unless and until such seven (7) day period has expired; (v) this Agreement will not be effective until the date upon which the revocation period has expired, which will be the eighth (8th) day after this Agreement is executed by Executive, *provided* that the Company has also executed this Agreement by that date; (vi) Executive has received with this Agreement a detailed list of the job titles and ages of all employees who were terminated in this group termination and the ages of all employees of the Company in the same job classification or organizational unit who were not terminated, attached hereto as **Exhibit A**; and (vii) this Agreement does not affect Executive's ability to test the knowing and voluntary nature of this Agreement. If Executive wishes to revoke this Agreement, Executive must deliver notice of Executive's revocation in writing, no later than 5:00 p.m. Pacific Time on the 7th day following Executive's execution of this Agreement to Ben Palleiko, Chief Financial Officer. KalVista, at blp@kalvista.com (via hardcopy or via electronic copy to blp@kalvista.com).

(d) EXECUTIVE ACKNOWLEDGES THAT EXECUTIVE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVI DES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLELMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION. EXECUTIVE HEREBY EXPRESSLY WAIVES ANY RIGHTS EXECUTIVE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

6. Mutual Non-Disparagement Transition. Transfer of Company Property; and Job References.

(a) *Mutual Non-Disparagement*. Executive agrees that Executive will not make statements or representations to any person, entity or firm which could reasonably be expected to cast the Company, KalVista or any entity or employee affiliated with the Company or KalVista in an unfavorable light or which could reasonably be anticipated to adversely affect the name or reputation of the Company. KalVista or any entity affiliated with the Company or KalVista, or the name or reputation of any officer, agent or employee of the Company, KalVista or of any entity affiliated with the Company or KalVista; provided that Executive will respond accurately and fully to any question, inquiry or request for information when required by legal process. The Company and Kalvista agree to, and the agree to use their best efforts to cause the officers, directors, and managing agents of the Company and KalVista to, refrain from discussing or making any derogatory or disparaging remarks or statements, oral or written. to any third parties concerning Executive in any manner which could reasonably be expected to be harmful to Executive• s business reputation or personal reputation; provided that the Company and KalVista officers, directors, and managing agents will respond accurately and fully to any quest ion, inquiry or request for information when required by legal process. Notwithstanding the foregoing, nothing in this Section 6(a) shall prevent Executive, the Company or KalVista from making any truthful statement to the extent (i) necessary to rebut any untrue public statements made about him, her or it; (ii) necessary with respect to any litigation, arbitration or mediation involving this Agreement and the enforcement thereof; or (iii) required by law or by any court, arbitrator, mediator or administrative or legislative body (including any committee d1ereof) with jurisdiction over such person. In addition, nothing in this Agreement shall be construed to prohibit Executive, the Company or KalVista from engaging in any lawfully protected activity or conduct, including reporting possible violations of law or regulation to any governmental agency or regulatory body (including but not limited to the Equal Employment Opportunity Commission, the Department of Justice. the Securities and Exchange Commission, the Congress, any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation), filing a charge with or participating in any investigation or proceeding conducted by any governmental agency or regulatory body, or making other disclosures that are protected under any law or regulation. Executive, the Company nor KalVista need the prior authorization of the Company to engage in any such lawfully protected activity, nor is Executive, the Company or Kalvista required to notify the other that he, she or it has done so.

(b) *Transition*. Each of the Company and Executive shall use their respective reasonable efforts to cooperate with each other in good faith to facilitate a smooth transition of Executive's duties to other executive(s) of the Company.

(c) *Transfer of Company Property*. On or before the Termination Date, Executive shall tum over to the Company all files, memoranda, records, and other documents, and any other physical or personal property which are the property of the Company and which Executive had in his or her possession, custody or control at the time Executive signed this Agreement. By executing and returning this Agreement, Executive is certifying that Executive has complied with Executive's obligation herein to immediately return all Company documents and information regardless of where Executive has maintained such Company property. Executive's compliance with the terms of this Section 6(c) is a condition precedent to Executive's eligibility to receive the payments and benefits described in Section 3 above.

(d) *Job References*. Executive should direct any job reference inquiries to the Company's Human Resources. Pursuant to Company policy, in response to any such inquiries, the Company will provide only the position Executive held and the dates of employment. The Company will confirm Executive's salary in response to any such inquiry only if Executive submits a signed request to the Company to disclose such information.

7. Executive Representations. Executive warrants and represents that (a) Executive has not filed or authorized the filing of any complaints, charges or lawsuits against the Company or any affiliate of the Company with any governmental agency or court, and that if, unbeknownst to Executive, such a complaint, charge or lawsuit has been tiled on Executive's behalf, Executive will immediately cause it to be withdrawn and dismissed, (b) Executive has reported all hours worked as of the date of this Agreement and has been paid all compensation, wages, bonuses, commissions, and/or benefits to which Executive may be entitled and no other compensation, wages, bonuses, commissions and/or benefits are due to Executive, except as provided in this Agreement, (c) Executive has no known workplace injuries or occupational diseases and has been provided and/or has not been denied any leave requested under the FMLA or any similar state law, (d) the execution, delivery and performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any agreement, contract or instrument to which Executive is a party or any judgment, order or decree to which Executive is subject, and (e) upon the execution and delivery of this Agreement by the Company and Executive, this Agreement will be a valid and binding obligation of Executive, enforceable in accordance with its terms.

8. No Assignment by Executive. Executive warrants and represents that no portion of any of the matters released herein, and no portion of any recovery or settlement to which Executive might be entitled, has been assigned or transferred to any other person, firm or corporation not a party to this Agreement, in any manner, including by way of subrogation or operation of law or otherwise. If any claim, action, demand or suit should be made or instituted against the Company or any other Releasee because of any actual assignment, subrogation or transfer by Executive, Executive agrees to indemnify and hold harmless the Company and all other Releasees against such claim, action, suit or demand, including necessary expenses of investigation, attorneys' fees and costs. In the event of Executive's death, this Agreement shall inure to the benefit of Executive and Executive's executors, administrators, heirs, distributees, devisees, and legatees. None of Executive's rights or obligations may be assigned or

transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only upon Executive's death by will or operation of law.

9. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of California or, where applicable, United States federal law, in each case, without regard to any conflicts of laws provisions or those of any state other than California.

10. Miscellaneous. This Agreement, together with the Confidentiality Agreement. comprise the entire agreement between the parties with regard to the subject matter hereof and supersedes, in their entirety, any other agreements between Executive and the Company with regard to the subject matter hereof, including, without limitation, the Employment Agreement (except for Section 9 of the Employment Agreement) and the Company's 2016 Retention Bonus Plan. The Company and Executive acknowledge that the termination of the Executive's employment with the Company is intended to constitute an involuntary separation from service for the purposes of Section 409A of the Code, and the related Department of Treasury regulations. Executive acknowledges that there are no other agreements, written, oral or implied, and that Executive may not rely on any prior negotiations, discussions, representations or agreements. This Agreement may be modified only in writing, and such writing must be signed by both parties and recited that it is intended to modify this Agreement. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

11. Company Assignment and Successors. The Company shall assign its rights and obligations under this Agreement to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise). This Agreement shall be binding upon and inure to the benefit of the Company and its successors, assigns, personnel and legal representatives.

12. Maintaining Confidential Information. Executive reaffirms his or her obligations under the Confidentiality Agreement. Executive reaffirms his or her obligations under the Section 9 (Non-Solicitation) of the Employment Agreement. Executive acknowledges and agrees that the payments provided in Section 3 above shall be subject to Executive's continued compliance with Executive's obligations under the Confidentiality Agreement and under Section 9 (Non-Solicitation) of the Employment Agreement.

13. Executive's Cooperation. After the Termination Date, Executive shall cooperate with the Company and its affiliates, upon the Company's reasonable request, with respect to any internal investigation or administrative, regulatory or judicial proceeding involving matters within the scope of Executive's duties and responsibilities to the Company or its affiliates during his or her employment with the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's reasonable request to give testimony without requiring service of a subpoena or other legal process, and turning over to the Company all relevant Company documents which are or may have come into Executive's possession during his or her employment); provided, however, that any such request by the Company shall not be unduly burdensome or interfere with Executive's personal schedule or ability to engage in gainful employment.

(Signature page(s) follow)

IN WITNESS WHEREOF, the undersigned have caused this Separation Agreement to be duly executed and delivered as of the date indicated next to their respective signatures below.

DATED: November 22 , 2016

/s/ David M. Renzi
David M. Renzi

DATED: November 22, , 2016

KALVISTA PHARMACEUTICALS, INC.

By: /s/ Benjamin L. Palleiko
Benjamin L. Palleiko
Chief Financial Officer

EXHIBIT A

DISCLOSURE CONCERNING SEVERANCE OFFER

CLASS, UNIT OR GROUP COVERED BY SEVERANCE OFFER

All employees of KalVista Pharmaceuticals, Inc. (the "Company") who are executive officers immediately prior to the closing the Transactions (as defined in the Separation Agreement (the "Agreement") to which this Disclosure is Appendix A) are covered by this severance offer.

ELIG1BILITY FACTORS FOR THE PROGRAM

Employees who are covered by the severance offer are eligible to receive the benefits of the offer if they:

- Are provided with the Agreement;
- Timely sign and deliver the Agreement to the Company:
- Do not revoke the Agreement as permitted by the Agreement; and
- Comply with the terms and conditions of the Agreement.

TIME LIMITS APPLICABLE TO THE PROGRAM

The following time limits apply to the program:

- Employees age 40 and over must sign and deliver the Agreement no later than the forty-fifth (45th) day after that employee's receipt of the Agreement.
- Employees age 40 and over may revoke their acceptance of the Agreement for a period of seven (7) days after signing it.

JOB TITLES AND AGES OF EMPLOYEES SELECTED FOR AND NOT SELECTED FOR THE PROGRAM

TITLE	AGE	JOB ELIMINATED?	ELIGIBLE FOR SEPARATION BENEFITS?
Chief Executive Officer	58	Yes	Yes
Vice President, Clinical Affairs	46	Yes	Yes
Vice President, Finance	41	No	No

Exhibit 10.10

SEPARATION AGREEMENT

This Separation Agreement (the "Agreement") by and between Ms. Marcee Maroney ("Executive") and KalVista Pharmaceuticals, Inc., formerly known as Carbylan Therapeutics, Inc., (the "Company") is made effective eight (8) days after Executive's signature hereto (the "Effective Date"), unless Executive revokes his or her acceptance of this Agreement as provided in Section 5(c) below. Any reference to the Company throughout this Agreement shall include the Company, its subsidiaries and any successors thereto.

A. The Company anticipates closing those certain transactions (the "Transactions") with KalVista Pharmaceuticals Ltd. ("KalVista") contemplated by that certain Share Purchase Agreement (the "Share Purchase Agreement") dated as of June 15, 2016, by and between the Company, KalVista, the shareholders of KalVista and, solely for the purposes of being bound by certain provisions therein and solely in such person's capacity as the Seller Representative, Andrew Crockett.

B. Executive's employment with the Company and status as an officer, director and employee of the Company and each of its affiliates will end effective upon the Termination Date (as defined below).

C. Executive and the Company want to end their relationship amicably and also to establish the obligations of the parties including, without limitation, all amounts due and owing to Executive.

D. The payments and benefits being made available to Executive pursuant to this Agreement are intended to satisfy all outstanding obligations under that certain employment letter agreement by between Executive and the Company, dated as of July 21, 2014 (the "Employment Agreement").

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. Termination Date. Executive acknowledges and agrees that Executive's status as an officer, director and employee of the Company and as an officer and/or director of the Company's subsidiaries will end effective as of the close of business on the closing of the Transactions (the "Termination Date"). Executive hereby agrees to execute such further document(s) as shall be determined by the Company as necessary or desirable to give effect to the termination of Executive's status as an officer and, if applicable, director of the Company and each of its subsidiaries; provided that such documents shall not be inconsistent with any of the terms of this Agreement. If the Transactions do not close and the Share Purchase Agreement is terminated, this Agreement will be null and void, and Executive's relationship with the Company will continue under those agreements that pre-date this Agreement as if this Agreement has never existed.

2. Final Paycheck; Payment of Accrued Wages and Expenses.

(a) *Final Paycheck*. As required by law, the Company will pay Executive all accrued but unpaid base salary and all accrued and unused vacation earned through the Termination Date, subject to standard payroll deductions and withholdings. Executive is entitled to these payments regardless of whether Executive executes this Agreement.

(b) *Business Expenses*. Executive agrees that Executive has submitted Executive's final documented expense reimbursement statement reflecting all business expenses Executive incurred through the Termination Date, if any, for which Executive seeks reimbursement. The Company will reimburse Executive for these expenses, if any, pursuant to its regular business practice.

(c) *Equity Awards*: Pursuant to, and subject to the terms and conditions of, the Share Purchase Agreement, the vesting of each option to purchase Company common stock held by Executive shall accelerate in full as of immediately prior to the closing of the Transactions, and at the time of closing (i) if the option(s) is "in-the-money", it will be net exercised such that Executive will automatically receive Company common stock (subject to an offset for withholding obligations) and (ii) if the option(s) is not "in-the-money" it will be terminated for no consideration. An option will be considered "in-the-money" if it has an exercise price per share less than the volume weighted average closing trading price of a share of Company common stock on The NASDAQ Global Market for the ten trading days ending the trading day immediately prior to the date upon which the Transaction becomes effective.

3. Separation Payments and Benefits. Without admission of any liability, fact or claim, the Company hereby agrees, subject to Executive's execution and non-revocation of this Agreement and Executive's performance of his or her continuing obligations pursuant to this Agreement, the Employment Agreement and that certain Confidential Information and Invention Assignment Agreement entered into between Executive and the Company (the "Confidentiality Agreement"), to provide Executive the severance benefits set forth below. Specifically, the Company and Executive agree as follows:

(a) *Severance*. The Company shall continue to pay to Executive his or her base salary at the rate in effect as of immediately prior to the Termination Date for the period of time commencing on the Termination Date and ending on the six (6)-month anniversary of the Termination Date (such period, the "Severance Period" and such payments, the "Cash Severance"). Such Cash Severance payments shall be made in accordance with the Company's standard payroll practices, less applicable withholdings and deductions, with each payment deemed to be a separate payment for purposes of Section 409A of the Code. The first such Cash Severance payment shall commence on the first payroll date following the Effective Date, which shall include amounts otherwise due and payable under this Section 3(a) on or before such date. In the event of Executive's death during the Severance Period, the remaining Cash Severance shall be paid to Executive's estate.

(b) *Retention Bonus*. The Company will pay to Executive $100,003, less applicable withholdings and deductions, which represents the cash bonus Executive is entitled to under the Company's 2016 Retention Bonus Plan. Such retention bonus shall be paid to Executive on the first payroll date following the Effective Date.

(c) *Healthcare Continuation Coverage*. If Executive elects to receive continued healthcare coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents through the earlier of (i) the end of the Severance Period or (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s); *provided that*, if the Company determines that it cannot provide such continued health benefits without potentially violating applicable law or incurring additional expense for non-compliance under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will provide to Employee in lieu thereof a lump-sum payment in an amount equal to the then-remaining premiums for the remainder of the Severance Period of such continued health benefits, which payment will be made regardless of whether Employee elects COBRA continuation coverage. After the Company ceases to pay premiums pursuant to the preceding sentence, Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance with the provisions of COBRA. Executive acknowledges that Executive shall be solely responsible for all matters relating to Executive's continuation of coverage pursuant to COBRA, including, without limitation, Executive's election of such coverage and Executive's timely payment of premiums.

(d) *Taxes*. Executive understands and agrees that all payments under this Section 3 will be subject to appropriate tax withholding and other deductions. To the extent any taxes may be payable by Executive for the benefits provided to Executive by this Section 3 beyond those withheld by the Company, Executive agrees to pay them himself or herself and to indemnify and hold the Company and the other entities released herein harmless for any tax claims or penalties, and associated attorneys' fees and costs, resulting from any failure by him or her to make required payments. To the extent that any reimbursements payable pursuant to this Agreement are subject to the provisions of Section 409A of the Code, such reimbursements shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(e) *SEC Reporting*. Executive acknowledges that to the extent required by the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Executive will have continuing obligations under Section 16(a) and 16(b) of the Exchange Act to report his or her transactions in Company common stock for six (6) months following the Termination Date. Executive hereby agrees not to undertake, directly or indirectly, any reportable transactions which include, but are not limited to,

buying, selling or otherwise disposing of any common stock of the Company held by Executive until the end of such six (6) month period.

(f) *Sole Separation Benefit*. Executive agrees that the payments provided by this Section 3 are not required under the Company's normal policies and procedures and are provided as a severance solely in connection with this Agreement and the Employment Agreement. Thus, for any Company sponsored employee benefits not referenced in this Agreement, Executive will be treated as a terminated employee effective on the Termination Date. This includes but is not limited to the Company's 40l(k) plan and Company sponsored life insurance and long-term disability insurance. Executive acknowledges and agrees that the payments referenced in this Section 3 constitute adequate and valuable consideration, in and of themselves, for the promises contained in this Agreement.

4. Full Payment. Executive acknowledges that the payment and arrangements herein shall constitute full and complete satisfaction of any and all amounts properly due and owing to Executive as a result of Executive's employment with the Company and the termination thereof. Executive further acknowledges that, other than the Confidentiality Agreement, this Agreement shall supersede each agreement entered into between Executive and the Company regarding Executive's employment, including, without limitation, the Employment Agreement, and each such agreement shall be deemed terminated and of no further effect as of the Termination Date.

5. Executive's Release of the Company. Executive understands that by agreeing to the release provided by this Section 5, Executive is agreeing not to sue, or otherwise file any claim against, the Company or any of its employees or other agents for any reason whatsoever based on anything that has occurred as of the date Executive signs this Agreement.

(a) On behalf of Executive and Executive's heirs and assigns, Executive hereby releases and forever discharges the "Releasees" hereunder, consisting of the Company, KalVista, and their respective parent and subsidiary entities, and their respective directors, officers, employees, shareholders, stockholders, partners, agents, attorneys, predecessors , successors, insurers, employee benefit plans, affiliates and assigns, of and from any and all claims, liabilities and obligations, both known and unknown, arising out of or in any way related to events, acts, conduct, or omissions occurring at any time prior to or at the time that Executive signs this Agreement (collectively, the "Released Claims"). The Released Claims include, but are not limited to: (1) all claims arising out of or in any way related to Executive's employment with the Company (or its successor) or the termination of that employment; (2) all claims related to Executive's compensation or benefits, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership or equity interests in the Company; (3) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing (including, but not limited to, any claims based on or arising from this Agreement or the Employment Agreement); (4) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (5) all federal, state, and local statutory claims, including claims for discrimination ,

harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act (as amended) ("ADEA"), the federal Family and Medical Leave Act (as amended) ("FMLA"), the California Family Rights Act, the California Labor Code (as amended), and the California Fair Employment and Housing Act (as amended).

(b) Notwithstanding the generality of the foregoing, Executive does not release the following claims:

(i) Executive's rights under this Agreement;

(ii) any payments Executive is entitled to under the Share Purchase Agreement;

(iii) any rights or claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(iv) any rights or claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(v) any rights or claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of COBRA;

(vi) any rights or claims to any rights and benefits under this Agreement or benefit entitlements vested as of the date of Executive's employment termination, pursuant to written terms of any Company employee benefit plan, including, without limitation, the terms of any Company equity compensation plan and/or any equity compensation agreement between Executive and the Company;

(vii) any rights or claims for indemnification Executive may have pursuant to any written indemnification agreement with the Company to which Executive a party, the charter, bylaws, or operating agreements of the Company, applicable law, California Labor Code Section 2802, or applicable directors and officers liability insurance;

(viii) any other rights or claims that cannot be released as a matter of law; and

(ix) Executive's right to bring to the attention of the Equal Employment Opportunity Commission claims of discrimination; *provided*, *however*, that Executive does release Executive's right to secure any damages for alleged discriminatory treatment.

(c) In accordance with the Older Workers Benefit Protection Act of 1990, Executive has been advised of the following: Executive acknowledges that Executive is knowingly and voluntarily waiving and releasing any rights Executive may

have under the ADEA. Executive also acknowledges that the consideration given for the waiver and release herein is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that Executive has been advised by this writing, as required by the ADEA, that: (i) Executive's waiver and release do not apply to any rights or claims that may arise after the execution date of this Agreement; (ii) Executive has been advised hereby that Executive has the right to consult with an attorney prior to executing this Agreement; (iii) Executive has forty-five (45) days from the date of this Agreement to execute this Agreement (although Executive may choose to voluntarily execute this Agreement earlier); (iv) Executive has seven (7) days following the execution of this Agreement by Executive to revoke the Agreement , and Executive will not receive the benefits provided by Section 3 of the Agreement unless and until such seven (7) day period has expired; (v) this Agreement will not be effective until the date upon which the revocation period has expired, which will be the eighth (8th) day after this Agreement is executed by Executive, *provided* that the Company has also executed this Agreement by that date; (vi) Executive has received with this Agreement a detailed list of the job titles and ages of all employees who were terminated in this group termination and the ages of all employees of the Company in the same job classification or organizational unit who were not terminated, attached hereto as **Exhibit A**; and (vii) this Agreement does not affect Executive's ability to test the knowing and voluntary nature of this Agreement. If Executive wishes to revoke this Agreement , Executive must deliver notice of Executive's revocation in writing, no later than 5:00 p.m. Pacific Time on the 7th day following Executive's execution of this Agreement to Ben Palleiko, Chief Financial Officer, KalVista, at blp@kalvista.com (via hardcopy or via electronic copy to blp@kalvista.com).

(d) EXECUTIVE ACKNOWLEDGES THAT EXECUTIVE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, EXECUTIVE HEREBY EXPRESSLY WAIVES ANY RIGHTS EXECUTIVE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

6. Mutual Non-Disparagement, Transition, Transfer of Company Property; and Job References.

(a) *Mutual Non-Disparagement*. Executive agrees that Executive will not make statements or representations to any person, entity or firm which could reasonably be expected to cast the Company, KalVista or any entity or employee affiliated with the Company or KalVista in an unfavorable light or which could

reasonably be anticipated to adversely affect the name or reputation of the Company, KalVista or any entity affiliated with the Company or KalVista, or the name or reputation of any officer, agent or employee of the Company, KalVista or of any entity affiliated with the Company or KalVista; *provided* that Executive will respond accurately and fully to any question, inquiry or request for information when required by legal process. The Company and Kalvista agree to, and the agree to use their best efforts to cause the officers, directors, and managing agents of the Company and KalVista to, refrain from discussing or making any derogatory or disparaging remarks or statements, oral or written, to any third parties concerning Executive in any manner which could reasonably be expected to be harmful to Executive's business reputation or personal reputation; *provided* that the Company and KalVista officers, directors, and managing agents will respond accurately and fully to any question, inquiry or request for information when required by legal process. Notwithstanding the foregoing, nothing in this Section 6(a) shall prevent Executive, the Company or KalVista from making any truthful statement to the extent (i) necessary to rebut any untrue public statements made about him, her or it; (ii) necessary with respect to any litigation, arbitration or mediation involving this Agreement and the enforcement thereof; or (iii) required by law or by any court, arbitrator, mediator or administrative or legislative body (including any committee thereof) with jurisdiction over such person. In addition, nothing in this Agreement shall be construed to prohibit Executive, the Company or KalVista from engaging in any lawfully protected activity or conduct, including reporting possible violations of law or regulation to any governmental agency or regulatory body (including but not limited to the Equal Employment Opportunity Commission, the Department of Justice, the Securities and Exchange Commission, the Congress, any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation), filing a charge with or participating in any investigation or proceeding conducted by any governmental agency or regulatory body, or making other disclosures that are protected under any law or regulation. Executive, the Company nor KalVista need the prior authorization of the Company to engage in any such lawfully protected activity, nor is Executive, the Company or Kalvista required to notify the other that he, she or it has done so.

(b) *Transition*. Each of the Company and Executive shall use their respective reasonable efforts to cooperate with each other in good faith to facilitate a smooth transition of Executive's duties to other executive(s) of the Company.

(c) *Transfer of Company Property*. On or before the Termination Date, Executive shall turn over to the Company all files, memoranda, records, and other documents, and any other physical or personal property which are the property of the Company and which Executive had in his or her possession, custody or control at the time Executive signed this Agreement. By executing and returning this Agreement, Executive is certifying that Executive has complied with Executive's obligation herein to immediately return all Company documents and information regardless of where Executive has maintained such Company property. Executive's compliance with the terms of this Section 6(c) is a condition precedent to Executive's eligibility to receive the payments and benefits described in Section 3 above.

(d) *Job References*. Executive should direct any job reference inquiries to the Company's Human Resources. Pursuant to Company policy, in response to any such inquiries, the Company will provide only the position Executive held and the dates of employment. The Company will confirm Executive's salary in response to any such inquiry only if Executive submits a signed request to the Company to disclose such information.

7. Executive Representations. Executive warrants and represents that (a) Executive has not filed or authorized the filing of any complaints, charges or lawsuits against the Company or any affiliate of the Company with any governmental agency or court, and that if, unbeknownst to Executive, such a complaint, charge or lawsuit has been filed on Executive's behalf, Executive will immediately cause it to be withdrawn and dismissed, (b) Executive has reported all hours worked as of the date of this Agreement and has been paid all compensation, wages, bonuses, commissions, and/or benefits to which Executive may be entitled and no other compensation, wages, bonuses, commissions and/or benefits are due to Executive, except as provided in this Agreement, (c) Executive has no known workplace injuries or occupational diseases and has been provided and/or has not been denied any leave requested under the FMLA or any similar state law, (d) the execution, delivery and performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any agreement, contract or instrument to which Executive is a party or any judgment , order or decree to which Executive is subject, and (e) upon the execution and delivery of this Agreement by the Company and Executive, this Agreement will be a valid and binding obligation of Executive, enforceable in accordance with its terms.

8. No Assignment by Executive. Executive warrants and represents that no portion of any of the matters released herein, and no portion of any recovery or settlement to which Executive might be entitled, has been assigned or transferred to any other person, firm or corporation not a party to this Agreement , in any manner, including by way of subrogation or operation of law or otherwise. If any claim, action, demand or suit should be made or instituted against the Company or any other Releasee because of any actual assignment, subrogation or transfer by Executive, Executive agrees to indemnify and hold harmless the Company and all other Releasees against such claim, action, suit or demand, including necessary expenses of investigation, attorneys' fees and costs. In the event of Executive's death, this Agreement shall inure to the benefit of Executive and Executive's executors, administrators, heirs, distributees, devisees, and legatees. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only upon Executive's death by will or operation of law.

9. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of California or, where applicable, United States federal law, in each case, without regard to any conflicts of laws provisions or those of any state other than California.

10. Miscellaneous. This Agreement, together with the Confidentiality Agreement, comprise the entire agreement between the parties with regard to the subject matter hereof and supersedes, in their entirety, any other agreements between Executive and the Company with regard to the subject matter hereof, including, without limitation, the Employment Agreement

and the Company's 2016 Retention Bonus Plan. The Company and Executive acknowledge that the termination of the Executive's employment with the Company is intended to constitute an involuntary separation from service for the purposes of Section 409A of the Code, and the related Department of Treasury regulations. Executive acknowledges that there are no other agreements, written, oral or implied, and that Executive may not rely on any prior negotiations, discussions, representations or agreements. This Agreement may be modified only in writing, and such writing must be signed by both parties and recited that it is intended to modify this Agreement. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

11. Company Assignment and Successors. The Company shall assign its rights and obligations under this Agreement to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise). This Agreement shall be binding upon and inure to the benefit of the Company and its successors, assigns, personnel and legal representatives.

12. Maintaining Confidential Information. Executive reaffirms his or her obligations under the Confidentiality Agreement. Executive acknowledges and agrees that the payments provided in Section 3 above shall be subject to Executive's continued compliance with Executive's obligations under the Confidentiality Agreement.

13. Executive's Cooperation. After the Termination Date, Executive shall cooperate with the Company and its affiliates, upon the Company's reasonable request, with respect to any internal investigation or administrative, regulatory or judicial proceeding involving matters within the scope of Executive's duties and responsibilities to the Company or its affiliates during his or her employment with the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's reasonable request to give testimony without requiring service of a subpoena or other legal process, and turning over to the Company all relevant Company documents which are or may have come into Executive's possession during his or her employment); provided, however, that any such request by the Company shall not be unduly burdensome or interfere with Executive's personal schedule or ability to engage in gainful employment.

(Signature page(s) follow)

IN WITNESS WHEREOF, the undersigned have caused this Separation Agreement to be duly executed and delivered as of the date indicated next to their respective signatures below.

DATED: 22 Nov , 2016

/s/ Marcee Maroney
Ms. Marcee Maroney

DATED: November 22, 2016

KALVISTA PHARMACEUTICALS, INC.

By: /s/ Benjamin L. Palleiko
Benjamin L. Palleiko
Chief Financial Officer

EXHIBIT A

DISCLOSURE CONCERNING SEVERANCE OFFER

CLASS, UNIT OR GROUP COVERED BY SEVERANCE OFFER

All employees of KaIVista Pharmaceuticals, Inc. (the "Company") who are executive officers immediately prior to the closing the Transactions (as defined in the Separation Agreement (the "Agreement") to which this Disclosure is Appendix A) are covered by this severance offer.

ELIGIBILITY FACTORS FOR THE PROGRAM

Employees who are covered by the severance offer are eligible to receive the benefits of the offer if they:

- Are provided with the Agreement;
- Timely sign and deliver the Agreement to the Company;
- Do not revoke the Agreement, as permitted by the Agreement; and
- Comply with the terms and conditions of the Agreement.

TIME LIMITS APPLICABLE TO THE PROGRAM

The following time limits apply to the program:

- Employees age 40 and over must sign and deliver the Agreement no later than the forty-fifth (45th) day after that employee's receipt of the Agreement.
- Employees age 40 and over may revoke their acceptance of the Agreement for a period of seven (7) days after signing it.

JOB TITLES AND AGES OF EMPLOYEES SELECTED FOR AND NOT SELECTED FOR THE PROGRAM

TITLE	AGE	JOB ELIMINATED	ELIGIBLE FOR SEPARATION BENEFITS?
Chief Executive Officer	58	Yes	Yes
Vice President, Clinical Affairs	46	Yes	Yes
Vice President, Finance	41	No	No

Exhibit 10.11

April 15, 2016

Mr. John McKune

Re: Amended and Restated Employment Agreement

Dear John:

This letter (the "**Agreement**") contains the revised terms of your employment with Carbylan Therapeutics, Inc. (the "Company"), effective as of April 15, 2016 (the "Effective Date"). This Agreement amends and restates in its entirety that certain employment agreement between you and the Company dated as of July 27, 2015 (the "**Prior Agreement**").

1. Position.

a. As of the Effective Date, you will fill the position of Vice President, Finance, with an assigned work location of the Company's corporate headquarters. You will continue to report to the Company's President and Chief Executive Officer until a Chief Financial Officer is hired at which time you will report to him or her. This continues to be a full-time position, and you agree to the best of your ability and experience that you will at all times loyally and conscientiously perform all of the duties and obligations required of and from you pursuant to the express and implicit terms hereof, and to the satisfaction of the Company. During the term of your employment, you further agree that you will devote your full business time and best professional efforts exclusively to the performance of your duties and responsibilities for the Company, and you will not directly or indirectly engage or participate in any business that is competitive in any manner with the business of the Company. The Company retains the discretion to modify your position, duties, reporting relationship, and work location from time to time.

2. Compensation.

a. Base Salary. You will continue to be paid a base salary at the annual rate of $213,726, subject to payroll withholdings and deductions. Your base salary will continue to be paid in two equal payments per month in accordance with the Company's regular payroll practices. As an exempt salaried employee, you will be expected to work the Company's standard business hours, and such additional hours as required by the nature of your work assignments and job responsibilities, and you will not be eligible for overtime compensation. The Company retains the discretion to modify your compensation terms (including the bonus program) from time to time.

b. Bonus. You will continue to be eligible for consideration by the Company's Board of Directors (the "**Board**") for an annual bonus of up to twenty five percent

(25%) of your annual base salary, with the bonus determination to be made by the Board within its sole discretion. Payment of the bonus will be based on the level of achievement of the applicable objectives and milestones, as such objectives and milestones are set by the Board in its sole discretion, and as such achievement is evaluated by the Board in its sole discretion, and the bonus is not guaranteed. As a condition precedent to earning and receiving any bonus, you must remain an active employee with the Company through the date the bonus otherwise is scheduled to be paid; and if your employment has been terminated for any reason, regardless of whether the termination is by you or the Company, you will not earn or be entitled to receive any bonus which has not been paid prior to the termination date.

3. Benefits.

a. Insurance Benefits. You will continue to be eligible to participate in the Company's standard medical and dental insurance benefits, subject to the terms and conditions of these benefit plans, as in effect from time to time.

b. Paid Time Off. You will continue to be eligible to accrue paid vacation, and be eligible for paid sick time and paid holidays, under the terms of the Company's applicable policies, as in effect from time to time.

You will continue to be eligible to participate in any other benefits offered by the Company generally to its employees from time to time, subject to the terms and conditions of these benefit plans and the Company's policies, as in effect from time to time. The Company reserves the right to add to, change, or terminate any or all of its benefit programs and related policies in its sole discretion.

4. Compliance with Company Policies and Confidential Information and Invention Assignment Agreement.

As a condition of your continued employment with the Company, you will be required to continue to abide by the Company's policies and procedures, including but not limited to the policies contained in the Company's Employee Handbook, as may be in effect from time to time. In addition, you shall continue to abide by and be bound by the terms of that certain Employee Proprietary Information and Invention Agreement between you and the Company (the "**Confidentiality Agreement**").

5. Prior Confidentiality Obligations.

In your work for the Company, you will be expected not to use or disclose any confidential information, including trade secrets, of any former employer or other person to whom you have an obligation of confidentiality. Rather, you will be expected to use only that information which is generally known and used by persons with training and experience comparable to your own, which is common knowledge in the industry or otherwise legally in the public domain, or which

is otherwise provided or developed by the Company. You agree that you will not bring onto Company premises, any unpublished documents or property belonging to any former employer or other person to whom you have an obligation of confidentiality. You hereby represent that you have disclosed to the Company any contract you have signed that may restrict your activities on behalf of the Company.

6. At-Will Employment.

Your employment with the Company will continue to be on an "at will" basis, meaning that either you or the Company may terminate your employment at any time, with or without cause, and with or without advance notice. In addition, the Company may also change any term or condition of your employment with or without cause. This "at will" relationship can only be changed by an agreement in writing signed by an expressly authorized officer of the Company.

7. Severance Benefits for Qualifying Terminations.

a. General Severance Benefits. You shall be entitled to receive the General Severance Benefits (as defined below), as your sole severance benefits, if your employment is terminated by the Company without Cause (as defined below) and if: (i) such termination of employment is not due to your death or disability; (ii) your termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h)); and (iii) within the timing required by the Company, you sign, date and return to the Company a general release of all known and unknown claims (the "**Release**") substantially in the form attached hereto as Exhibit A, and such Release becomes effective in accordance with its terms, including through the expiration of any applicable revocation period.

For purposes of this Section 7(a), the "General Severance Benefits" shall consist of the following: (i) continued payment of your final base monthly salary for a period of six (6) months following the termination date; (ii) accelerated vesting of any outstanding stock options such that the additional number of shares that would have vested if your employment had continued for six (6) additional months following the termination date will become vested and exercisable effective as of the termination date; and (iii) if you timely elect continued group health insurance coverage pursuant to federal COBRA law or, if applicable, state insurance laws (collectively, "**COBRA**"), the Company will pay your COBRA premiums to continue your group health insurance coverage (including the cost of dependent coverage) through the earliest of (A) six (6) months following the termination date, (B) the date that you become eligible for group health insurance coverage through a new employer, or (C) the date you cease to be eligible for COBRA coverage. Notwithstanding the foregoing, the General Severance Benefit set forth in (i), above (continued base salary payment) will immediately expire in the event that you obtain new full-time employment (or full-time consulting or similar arrangement) within six (6) months after the termination date, *provided*, *however*, that the Company will thereafter continue to pay you, through the six-month severance payment period, the excess, if any, of your Company base salary on the date of termination over the base salary for your new employment relationship. You

agree to notify the Company of your acceptance of any employment within the six-month severance payment period. In the event of your death during the six (6) month severance period, the remaining General Severance Benefits shall be paid to your estate. Any severance payments made under this Agreement will be made in the form of salary continuation, and will begin on the next regular Company payday which is at least five (5) business days following the later of the effective date of the Release or the date on which the Release, signed by you, is received by the Company. The first payment, however, will be retroactive to the next business day following the termination date.

b. Change of Control Severance Benefits. You shall be entitled to receive the Change of Control Severance Benefits (as defined below), as your sole severance benefits, if, on or within twelve (12) months after a Change of Control (as defined below), your employment is terminated by the Company without Cause or you voluntarily terminate your employment for Good Reason (as defined below) and if; (i) such termination of employment is not due to your death or disability; (ii) your termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h)); and (iii) within the timing required by the Company, you sign, date and return to the Company the Release substantially in the form attached hereto as ***Exhibit A***, and such Release becomes effective in accordance with its terms, including through the expiration of any applicable revocation period.

For the purposes of Section 7(b), the "**Change of Control Severance Benefits**" shall consist of the following: (i) you shall receive the General Severance Benefits as provided above, except that the continued salary payments will not be terminated or reduced in the event that you obtain new employment during the six-month severance payment period; (ii) you will also be eligible to receive a prorated bonus payment for the year in which your employment terminates (notwithstanding that you otherwise would not be eligible for payment of such bonus due to termination of employment prior to the bonus payment date), with such prorated bonus amount to be based on the achievement of the bonus objectives prior to such termination or resignation (provided that, no prorated bonus will be owed if the Board determines that there has been no achievement of such bonus objectives), and (iii) you will be eligible for the Full Acceleration as provided in Section 8 hereof.

c. For purposes of this Agreement, "**Cause**" for termination of employment shall mean: (i) your failure to substantially perform the principal duties and obligations of your position with the Company; (ii) any act of personal dishonesty, fraud or misrepresentation by you which was intended to or does result in your substantial gain or personal enrichment at the expense of the Company; (iii) your violation of a federal or state law or regulation applicable to the Company's business or any of the Company's policies, which violation was or is reasonably likely to be injurious to the Company or its business or reputation; (iv) your conviction of a felony or a plea of nolo contendere under the laws of the United States or any State; or (v) your material breach of the terms of any agreement or contract

between you and the Company. The determination that a termination is for Cause shall be made in good faith by the Board in its sole discretion.

d. You may voluntarily terminate your employment for "**Good Reason**" under Section 7(b) of this Agreement by notifying the Company in writing, within thirty (30) days after the first occurrence of one of the following events taken without your consent, that you intend to terminate your employment for Good Reason on a date not later than the ninetieth (90th) day following such event, if the Company has not cured that event within thirty (30) days after its receipt of your written notice. The events that may give rise to a Good Reason termination are: (i) a material and substantial reduction in the scope of your duties and responsibilities (provided, however, that a change in job position (including a change in title) shall not be deemed a "material reduction" unless your new duties are substantially reduced from your prior duties); (ii) relocation of your principal office that results in a one-way increase in your commute distance of more than 30 miles; or (iii) a reduction in your base salary by more than twenty (20%) percent (provided that an across-the-board reduction in the salary level of all Vice Presidents of the Company by the same (or a greater) percentage amount shall not constitute Good Reason).

8. Change of Control.

For purposes of this Agreement, "**Change of Control**" shall mean the consummation of a transaction or series of transactions that results in: (i) any sale or other disposition of all or substantially all of the assets of the Company. that occurs over a period of not more than twelve (12) months; or (ii) any person, or more than one person acting as a group, acquiring ownership of stock of the Company, that together with the stock held by such person or group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of such corporation. However, a Change of Control shall not include (x) any consolidation or merger effected exclusively to change the domicile of the Company, or (y) any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof. This definition of Change of Control is intended to conform to the definitions of "change in ownership of a corporation" and "change in ownership of a substantial portion of a corporations assets" provided in Treasury Regulation Sections 1.409A-3(i)(5)(v) and (vii).

In the event that, on or within twelve (12) months after the consummation of a Change of Control of the Company, your employment with the Company (or its successor, as applicable) is terminated by the Company (or its successor, as applicable) without Cause or you terminate your employment for Good Reason, 100% of the shares subject to any outstanding stock options held by you will be immediately vested and exercisable in full effect as of the employment termination date (the "**Full Acceleration**"). Notwithstanding the foregoing, as a pre-condition of the Full Acceleration, within the timing required by the Company, you must sign, date and return

to the Company the Release substantially in the form attached hereto as ***Exhibit A***, and such Release becomes effective in accordance with its terms, including through the expiration of any applicable revocation period.

9. Deferred Compensation.

It is intended that (i) each installment of any amounts or benefits payable under Section 10 of this Agreement be regarded as a separate "payment" for purposes of Treasury Regulations Section 1.409A-2(b)(2)(i) (and each such installment is hereby designated as separate for such purpose), (ii) all payments of any such amounts or benefits satisfy, to the greatest extent possible, the exemptions from the application of Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**") and the regulations and other guidance thereunder and any state law of similar effect (collectively "**Section 409A**"), as provided under Treasury Regulations Sections 1.409A-1(b)(4) and 1.409A-1(b)(9)(iii); and (iii) any such amounts or benefits consisting of premiums payable under COBRA also satisfy, to the greatest extent possible, the exemption from the application of Section 409A provided under Treasury Regulations Section 1.409A-1(b)(9)(v). However, if any such amounts or benefits constitute "deferred compensation" under Section 409A and if you are a "specified employee" of the Company, as such term is defined in Section 409A(a)(2)(B)(i), then, solely to the extent necessary to avoid the imposition of the adverse personal tax consequences under Section 409A, the timing of any such benefit payments as to which you are entitled shall be delayed as follows: on the earlier to occur of (a) the date that is six (6) months and one (1) day after your separation from service and (b) the date of your death (such applicable date, the "**Delayed Initial Payment Date**"), the Company shall (1) pay you a lump sum amount equal to the sum of the benefit payments that you would otherwise have received through the Delayed Initial Payment Date if the commencement of the payment of the benefits had not been delayed pursuant to this Section 12 and (2) commence paying the balance, if any, of the benefits in accordance with the applicable payment schedule.

This Agreement, together with the Confidentiality Agreement, sets for the entire agreement and understanding between you and the Company relating to your employment and supersedes all prior agreements, understandings and discussions between you and the Company, including, without limitation, the Prior Agreement. This letter may not be modified or amended except by a written agreement, signed by the Chief Executive Officer of the Company, although the Company reserves the right to modify unilaterally your compensation, benefits, job title and duties, reporting relationships and other terms of your employment.

Sincerely,

/s/ David M. Renzi

David M. Renzi
President and CEO

UNDERSTOOD, ACCEPTED AND AGREED:

John McKune

/s/ John McKune
Signature

April 15, 2016
Date

EXHIBIT A

RELEASE AGREEMENT

In exchange for the General Severance Benefits, the Change of Control Severance Benefits, and/or the Full Acceleration, as applicable, to be provided to me pursuant to the Amended and Restated Employment Agreement dated April 15, 2016 (the "**Agreement**") between me and Carbylan Therapeutics, Inc. (the "**Company**"), I hereby provide the following release of claims (the "**Release**").

In exchange for the severance pay and benefits provided to me under the Agreement, to which I acknowledge I would not otherwise be entitled, and for other good and valuable consideration, the receipt and sufficiency of which I hereby acknowledge, I hereby generally and completely release the Company, its parent and subsidiary entities, and their respective directors, officers, employees, shareholders, stockholders, partners, agents, attorneys, predecessors, successors, insurers, employee benefit plans, affiliates, and assigns (collectively, the "**Released Parties**") of and from any and all claims, liabilities and obligations, both known and unknown, arising out of or in any way related to events, acts, conduct, or omissions occurring at any time prior to or at the time that I sign this Release (collectively, the "**Released Claims**"). The Released Claims include, but are not limited to: (1) all claims arising out of or in any way related to my employment with the Company (or its successor) or the termination of that employment; (2) all claims related to my compensation or benefits, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership or equity interests in the Company; (3) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing (including, but not limited to, any claims based on or arising from the Agreement); (4) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (5) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act (as amended) ("**ADEA**"), the federal Family and Medical Leave Act (as amended) ("**FMLA**"), the California Family Rights Act ("**CFRA**"), the California Labor Code (as amended), and the California Fair Employment and Housing Act (as amended).

Notwithstanding the foregoing, the following are not included in the Released Claims (the "**Excluded Claims**"): (1) any rights or claims for indemnification I may have pursuant to any written indemnification agreement with the Company to which I am a party, the charter, bylaws, or operating agreements of the Company, applicable law, or applicable directors and officers liability insurance; (2) any rights or claims which are not waivable as a matter of law; and (3) any claims for breach of the Agreement arising after the date that I sign this Release. In addition, nothing in this Release prevents me from filing, cooperating with, or participating in any proceeding before the Equal Employment Opportunity Commission, the Department of Labor, the California Department of Fair Employment and Housing, or any other government agency, except that I acknowledge and agree that I am hereby waiving my right to any monetary benefits

in connection with any such claim, charge or proceeding. I represent that I have no lawsuits, claims or actions pending in my name, or on behalf of any other person or entity, against any of the Released Parties.

The following paragraph shall apply to me only if I am forty (40) years old or older as of the date that I sign this Release: I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have under the ADEA, and that the consideration given for the waiver and release in the preceding paragraph is in addition to anything of value to which I am already entitled. I further acknowledge that I have been advised by this writing that: (1) my waiver and release do not apply to any rights or claims that may arise after the date I sign this Release; (2) I have been advised to consult with an attorney prior to signing this Release (although I may choose voluntarily not to do so) and I have had sufficient opportunity to do so; (3) I have twenty-one (21) days to consider this Release (although I may choose voluntarily to sign it earlier); (4) I have seven (7) days following the date I sign this Release to revoke it by providing written notice of revocation to the Company's Board of Directors; and (5) this Release will not be effective until the date upon which the revocation period has expired, which will be the eighth calendar day after the date I sign it if I do not revoke it (such date, the "**Effective Date**").

The following paragraph shall apply to me only if I am less than forty (40) years old as of the date that I sign this Release: I understand that I have fourteen (14) days to consider this Release (although I may choose voluntarily to sign it earlier), the Release will become effective as of the date that I sign it (such date, the "**Effective Date**"), and I do not have the right to revoke this Release after signing it.

I UNDERSTAND THAT THIS RELEASE AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS. I acknowledge that I have read and understand Section 1542 of the California Civil Code which reads as follows: **"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."** I hereby expressly waive and relinquish all rights and benefits under that section and any law or legal principle of similar effect in any jurisdiction with respect to my release of claims herein, including but not limited to the release of unknown and unsuspected claims.

I hereby represent that I have been paid all compensation owed and for all time worked, I have received all the leave and leave benefits and protections for which I am eligible, pursuant to FMLA, CFRA, any Company policy or applicable law, and I have not suffered any on-the-job injury or illness for which I have not already filed a workers' compensation claim.

I further agree: (1) not to disparage the Company, or any of the other Released Parties, in any manner likely to be harmful to its or their business, business reputation, or personal reputation (although I may respond accurately and fully to any question, inquiry or request for information as required by legal process); (2) not to voluntarily (except in response to legal compulsion) assist any third party in bringing or pursuing any proposed or pending litigation, arbitration,

administrative claim or other formal proceeding against the Company, its parent or subsidiary entities, affiliates, officers, directors, employees or agents; and (3) to cooperate fully with the Company, by voluntarily (without legal compulsion) providing accurate and complete information, in connection with the Company's actual or contemplated defense, prosecution, or investigation of any claims or demands by or against third parties, or other matters, arising from events, acts, or failures to act that occurred during the period of my employment by the Company or any successor thereto.

I understand that, upon the Effective Date, this Release will take effect as a legally binding agreement between me and the Company. This Release sets for the entire agreement and understanding between the Company and me relating to the matters set forth herein and supersedes all prior and contemporaneous agreements, understandings and discussions concerning such matters, whether express or implied. This Release may not be modified or amended except by a written agreement, signed by the Chief Executive Officer of the Company and me.

By: _____
[Name]

Date: _____

AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amendment ("***Amendment***") to the Amended and Restated Employment Agreement, dated April 15, 2016, by and between Carbylan Therapeutics, Inc. ("***Carbylan***") and Executive (the "***Agreement***"), is made and entered into as of November 21, 2016, by and among John McKune ("***Executive***") and KalVista Pharmaceuticals Inc., the successor of Carbylan (the "***Company***"), which will be assuming the obligations set forth in the Agreement, as modified by this Amendment, upon the close of the share purchase transaction between Carbylan and KalVista Pharmaceuticals Ltd ("***KalVista***"). A copy of the Agreement with all of its exhibits is attached hereto as Exhibit 1. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

RECITALS

A. WHEREAS, KalVista plans to merge with Carbylan ("***Merger***") at which Executive is currently the Vice President, Finance.

B. WHEREAS, the Company and Executive wish to continue Executive's service in the role of Vice President, Finance, of the Company, during the transition period following the Merger; and

C. WHEREAS, the Company intends to assume the obligations under the Agreement following the Merger, subject to the amendments herein.

AMENDMENT

NOW THEREFORE, in consideration of the foregoing recitals and the mutual promises and covenants herein contained, and for other good and valuable consideration, and further conditioned upon the successful closing of the merger between Carbylan and KalVista, the parties, intending to be legally bound, agree as follows:

1. **Amendment to Section 2(a) of the Agreement.** The base salary set forth in Section 2(a) of the Agreement shall be amended to reflect an increase from the annual rate of $213,726 to $250,000, subject to payroll withholdings and deductions ("***Increased Base Salary***"), with such increase to take effect as of the date the Merger is completed and Executive's title changes from the Vice President, Finance, of Carbylan to the Vice President, Finance, of the Company ("***Merger Closing***").

2. **Cash Bonus.** In addition to the compensation set forth in Section 2 of the Agreement, as amended herein, the Company agrees to pay Executive a cash bonus up to an aggregate gross amount of $124,997.50, less applicable withholdings and deductions (the "***Cash Bonus***"), paid in installments in accordance with the following Payout Schedule (each, an "***Installment***"), provided that Executive is actively employed with the Company as of each Installment payment date.

Cash Bonus Payout Schedule:

- First Installment – $62,500.00 (25% of the Increased Base Salary) – to be paid the first payroll date three months following the Merger Closing;
- Second Installment - $20,832.50 (8.333% of the Increased Base Salary) – to be paid the first payroll date four months following the Merger Closing;
- Third Installment - $20,832.50 (8.333% of the Increased Base Salary) – to be paid the first payroll date five months following the Merger Closing; and
- Fourth Installment - $20,832.50 (8.333% of the Increased Base Salary) – to be paid the first payroll date six months following the Merger Closing.

Notwithstanding the foregoing, in the event the Company terminates Executive's employment without Cause on a date that falls in between the Installment payment dates, the Company will pay Executive, within thirty (30) days following the termination date, the prorated amount of the next Installment payment based on the number of full weeks of Executive's active employment in between the last paid Installment and the date of termination. For the avoidance of doubt, in the event the Company terminates Executive's employment without Cause prior to first Installment payment date, then the Company will pay Executive, within thirty (30) days following the termination date, the prorated amount of the first Installment payment based on the number of full weeks of Executive's active employment in between the Merger Closing and the date of termination.

3. **No Effect on Carbylan 2016 Retention Bonus.** The Company and Executive agree that Executive's employment with the Company following the Merger Closing will not qualify as Comparable Employment as defined in Section 2.6 of the Carbylan 2016 Retention Bonus Plan ("***Bonus Plan***"), attached hereto as Exhibit 2, to render Executive ineligible for receipt of a Retention Bonus under the terms of the Bonus Plan. In addition, the Company and Executive agree that the Executive's Retention Bonus, as defined in the Bonus Plan, is calculated based on his salary in effect prior to the increase provided for in Section 1 above. In accordance with and pursuant to the Bonus Plan, subject to Executive's execution of a general release of claims attached as Exhibit 3 (the "***Release***") that becomes effective and irrevocable within sixty (60) days following the Merger Closing, the Company shall pay to Executive $71,242, less applicable withholdings and deductions, which represents Executive's Retention Bonus, on the first payroll period after the date the Release becomes effective and irrevocable.

4. **Stock Options.** Subject to approval of the Compensation Committee of the Company (the "***Compensation Committee***"), the Company will grant you an option to purchase an amount of the post- Merger Closing, post-reverse split shares of the Company's common stock with an exercise price equal to the fair market value per share of the common stock on the date of the grant, as determined by the Compensation Committee (the "***Option***"). The Option will vest over six (6) months, in equal monthly installments as long as Executive remains actively employed with and in continuous service to the Company, with vesting to commence on the first day following the Merger Closing. Subject to the approval of the Compensation Committee, the Company further agrees that the post-employment exercise period for the Option shall continue until the twelve (12) month anniversary of the date of Executive's termination from the Company.

5. **Severance Benefits for Qualifying Termination.** In the event Executive's employment is terminated by the Company, without Cause or Executive voluntarily terminates his employment for Good Reason, the Company agrees that Executive will be eligible for the Change of Control Severance Benefits and not the General Severance Benefits under the Agreement, subject to the additional conditions as set forth in Section 7(b) of the Agreement.

6. **Entire Agreement.** Once accepted, this Amendment, together with Exhibits 1-3 and the Option, constitutes the entire agreement between Executive and the Company relating to subject matter hereof and supersedes all prior agreements, negotiations and understandings with respect to such matters, and Executive and the Company acknowledge they have made no agreements, representations or warranties relating to the subject matter hereof which are not set forth herein.

7. **Modification.** It is expressly agreed that the terms of this Amendment may not be altered, amended, modified, or otherwise changed in any respect except by another written agreement that specifically refers to this Amendment, executed by both Executive and the CEO of the Company.

8. **No other Amendments.** Except as expressly set forth above, all of the terms and conditions of the Agreement shall remain unchanged and continue in full force and effect to apply to Executive's employment with Carbylan, prior to the Merger Closing, and Executive's employment with the Company, on and after the Merger Closing.

9. **Counterparts.** This Amendment may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together constitute one and the same instrument. Execution of a facsimile or PDF copy shall have the same force and effect as execution of an original.

KALVISTA PHARMACEUTICALS, INC.

/s/ T. Andrew Crockett Date: November 21, 2016
T. Andrew Crockett

I have read and understood this Amendment and hereby acknowledge, accept and agree to the terms as set forth above and further acknowledge that no other commitments were made to me as part of this Amendment except as specifically set forth herein.

EXECUTIVE

/s/ John McKune Date: November 21, 2016
John McKune

Exhibit 3

RELEASE AGREEMENT

In exchange for the Retention Bonus to be provided to me pursuant to the Carbylan Therapeutics, Inc. ("**Carbylan**") 2016 Retention Bonus Plan (the "**Bonus Plan**"), I hereby provide the following release of claims (the "**Release**").

In exchange for the Retention Bonus provided to me under the Bonus Plan, to which I acknowledge I would not otherwise be entitled, and for other good and valuable consideration, the receipt and sufficiency of which I hereby acknowledge, I hereby generally and completely release Carbylan, KalVista Pharmaceuticals, Inc. (the "**Company**"), KalVista Pharmaceuticals Ltd., their respective parent and subsidiary entities, and their respective directors, officers, employees, shareholders, stockholders, partners, agents, attorneys, predecessors, successors, insurers, employee benefit plans, affiliates, and assigns (collectively, the "**Released Parties**") of and from any and all claims, liabilities and obligations, both known and unknown, arising out of or in any way related to events, acts, conduct, or omissions occurring at any time prior to or at the time that I sign this Release (collectively, the "**Released Claims**"). The Released Claims include, but are not limited to: (1) all claims arising out of or in any way related to my employment with Carbylan or the Company (or its successor); (2) all claims related to my compensation or benefits, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership or equity interests in Carbylan or the Company; (3) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (4) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (5) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act (as amended) ("**ADEA**"), the federal Family and Medical Leave Act (as amended) ("**FMLA**"), the California Family Rights Act ("**CFRA**"), the California Labor Code (as amended), and the California Fair Employment and Housing Act (as amended).
Notwithstanding the foregoing, the following are not included in the Released Claims (the "**Excluded Claims**"): (1) any rights or claims for indemnification I may have pursuant to any written indemnification agreement with the Company to which I am a party, the charter, bylaws, or operating agreements of the Company, applicable law, or applicable directors and officers liability insurance; (2) any rights or claims which are not waivable as a matter of law; (3) my rights under that certain Amended and Restated Employment Agreement by and between Carbylan and me dated April 15, 2016, as amended by that certain letter amendment by and between the Company and me dated as of November 21, 2016; (4) any payments I am entitled to under that certain Share Purchase Agreement dated as of June 15, 2016, by and between the Company, Carbylan, the shareholders of the Company and, solely for the purposes of being bound by certain provisions therein and solely in such person's capacity as the Seller Representative, Andrew Crockett; (5) claims to continued participation in certain of Carbylan's or the Company's benefit plans pursuant to the terms and conditions thereof; and (5) any claims for breach of the Bonus Plan arising after the date that I sign this Release. In addition, nothing in this Release prevents me from filing, cooperating with, or participating in any proceeding before the Equal Employment Opportunity Commission, the Department of Labor, the California

Department of Fair Employment and Housing, or any other government agency, except that I acknowledge and agree that I am hereby waiving my right to any monetary benefits in connection with any such claim, charge or proceeding. I represent that I have no lawsuits, claims or actions pending in my name, or on behalf of any other person or entity, against any of the Released Parties.

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have under the ADEA, and that the consideration given for the waiver and release in the preceding paragraph is in addition to anything of value to which I am already entitled. I further acknowledge that I have been advised by this writing that: (1) my waiver and release do not apply to any rights or claims that may arise after the date I sign this Release; (2) I have been advised to consult with an attorney prior to signing this Release (although I may choose voluntarily not to do so) and I have had sufficient opportunity to do so; (3) I have twenty-one (21) days to consider this Release (although I may choose voluntarily to sign it earlier); (4) I have seven (7) days following the date I sign this Release to revoke it by providing written notice of revocation to Ben Palleiko, Chief Financial Officer of the Company, at blp@kalvista.com (via hardcopy or via electronic copy to blp@kalvista.com); and (5) this Release will not be effective until the date upon which the revocation period has expired, which will be the eighth calendar day after the date I sign it if I do not revoke it (such date, the "**Effective Date**").

I UNDERSTAND THAT THIS RELEASE AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS. I acknowledge that I have read and understand Section 1542 of the California Civil Code which reads as follows: **"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."** I hereby expressly waive and relinquish all rights and benefits under that section and any law or legal principle of similar effect in any jurisdiction with respect to my release of claims herein, including but not limited to the release of unknown and unsuspected claims.

I hereby represent that I have been paid all compensation owed and for all time worked up until the date I sign this Agreement, I have received all the leave and leave benefits and protections for which I am eligible through the date of this Agreement, pursuant to FMLA, CFRA, any Company policy or applicable law, and I have not suffered any on-the-job injury or illness for which I have not already filed a workers' compensation claim through the date of this Agreement.

I understand that, upon the Effective Date, this Release will take effect as a legally binding agreement between me and the Company. This Release sets for the entire agreement and understanding between the Company and me relating to the matters set forth herein and supersedes all prior and contemporaneous agreements, understandings and discussions concerning such matters, whether express or implied. This Release may not be modified or amended except by a written agreement, signed by the Chief Executive Officer of the Company and me.

By: /s/ John McKune
John McKune

Date: November 21, 2016

Exhibit 10.12

OFFICE LEASE AGREEMENT

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55 CAMBRIDGE PARKWAY

CAMBRIDGE, MA

BY AND BETWEEN

55 CAMBRIDGE PARKWAY, LLC,
a Delaware limited liability company, as Landlord

and

KALVISTA PHARMACEUTICALS, INC.,
a Delaware Corporation, as Tenant

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EXHIBITS

OFFICE LEASE AGREEMENT
55 CAMBRIDGE PARKWAY, CAMBRIDGE, MA

THIS OFFICE LEASE AGREEMENT, dated as of May 30, 2017, is made and entered into by 55 Cambridge Parkway, LLC, a Delaware limited liability company (the "Landlord") and Kalvista Pharmaceuticals, Inc. a Delaware corporation (the "Tenant"). In consideration of the mutual promises and representations set forth in this Lease, Landlord and Tenant agree as follows:

ARTICLE 1. SUMMARY AND DEFINITION OF CERTAIN LEASE PROVISIONS AND EXHIBITS

1.1 The following terms and provisions of this Lease, as modified by other terms and provisions hereof, are included in this Section 1.1 for summary and definitional purposes only. If there is any conflict or inconsistency between any term or provision in this Section 1.1 and any other terms or provision of this Lease, the other term or provision or this Lease shall control:

(a) Landlord: 55 Cambridge Parkway, LLC, a Delaware limited liability company

(b) Address of Landlord for Notices:

c/o Lincoln Property Company
55 Cambridge Parkway
Cambridge, MA 02142
Attention: Baron Hanley
Telephone: (617) 494-9197
Telecopy: (617) 494-5459

With a copy to:
Invesco Real Estate
1166 Avenue of the Americas
New York, NY 10036
Attention: Asset Manager
55 Cambridge Parkway
Cambridge, MA 02142
Telephone: (212) 278-9224
Telecopy: (212) 278-9624

(c) Tenant: Kalvista Pharmaceuticals, Inc., a Delaware corporation

(d) Address of Tenant for Notices: (Include Main/Hdq. Address)
Kalvista Pharmaceuticals, Inc.
55 Cambridge Parkway
Cambridge, MA 02142
Attn: Ben Palleiko

(e) Lease Term: A period commencing on the Commencement Date (as hereinafter defined), and expiring on the day before the fifth (5th) anniversary of the Commencement Date (provided that if such fifth (5th) anniversary is not the first day of a month, the Lease Term shall expire on the last day of the month in which such fifth (5th) anniversary occurs). As used in this Lease, the "Commencement Date" shall mean the earlier of (i) the date on which Landlord substantially completes the Tenant Improvements (as defined in, and determined in accordance with, Exhibit D attached hereto), or (ii) Tenant's occupancy of the Premises for business purposes.

(f) Building: The office building located at 55 Cambridge Parkway, Cambridge, MA (the "Building").

(g) Premises: A portion of the ninth (9th) floor of the East Wing of the Building, as shown on Exhibit A, consisting of approximately 2,762 Rentable Square Feet, subject to re-measurement by Landlord after completion of the Tenant Improvements pursuant to the terms and provisions in Exhibit D attached hereto. The Minimum Annual Rent set forth herein shall be adjusted up or down to account for any changes that result from the re-measurement of the Premises.

(h) Minimum Annual Rent (subject to adjustment following re-measurement of the Premises):

Lease Year	RSF Rule	Annual Amount	Monthly Amount
Lease Year 1:	$80.00/RSF	$220,960.00	$18,413.33 per month
Lease Year 2:	$81.00/RSF	$223,722.00	$18,643.50 per month
Lease Year 3:	$82.00/RSF	$226,484.00	$18,873.67 per month
Lease Year 4:	$83.00/RSF	$229,246.00	$19,103.83 per month
Lease Year 5:	$84.00/RSF	$232,008.00	$19,334 00 per month

As used above, the term "Lease Year" shall mean the one year period beginning on the Commencement Date and each consecutive one year period thereafter, except that if the Commencement Date shall not occur on the first day of a calendar month, then Lease Year 1 shall also include the partial calendar month during which the first (1st) anniversary occurs (i.e., the period of such calendar month after such first anniversary). The monthly component of Minimum Annual Rent shall be referred to herein as "Minimum Monthly Rent".

(i) Tenant's Base Operating Share: (see Article 5).

(j) Tenant's Base Tax Share: (see Article 5).

(k) Expense Stop: An amount equal to the Operating Costs for the calendar year ending December 31, 2017 divided by the Rentable Square Footage of the Building.

(l) Tax Stop: An amount equal to the Taxes for the tax fiscal year ending June 30, 2018 divided by the Rentable Square Footage of the Building.

(m) Security Deposit: A Security Deposit of $92,066.65 is required and shall be deposited with Landlord at the time this Lease is signed by Tenant.

(n) Parking: (see Article 6.)

(o) Building Business Hours: 8 a.m. to 6 p.m. Monday through Friday; 8 a.m. to 1 p.m. Saturday. Closed Sundays and all legal holidays.

(p) Sustainability Initiative: (see Section 14.4).

1.2 The following exhibits (the "Exhibits") and addenda are attached hereto and incorporated herein by this reference:

Exhibit A	Premises
Exhibit B	Rules and Regulations
Exhibit C	Parking Rules and Regulations
Exhibit D	Tenant Improvements
Exhibit D-1	Contractor Rules and Regulations
Exhibit D-2	Energy and Sustainability Construction Guidelines and Requirements
Exhibit E	Confirmation of Commencement Date
Exhibit F	Moisture and Mold Control Instructions
Exhibit G	Landlord's Services
Exhibit H	List of Issuing Banks for Letter of Credit

The Office Lease Agreement and the Exhibits are collectively referred to herein as the "Lease."

ARTICLE 2. PREMISES/RIGHT TO USE COMMON AREAS

2.1 Landlord leases to Tenant and Tenant leases from Landlord the Premises, for and subject to the terms and provisions set forth in this Lease. This Lease is subject to all liens, encumbrances, parking and access easements, restrictions, covenants, and all other matters of record, the Rules and Regulations described in Article 14 and the Parking Rules and Regulations described in Article 6. Tenant and Tenant's agents, contractors, customers, directors, employees, invitees, officers, and patrons (collectively, the "Tenant's Permittees") have a non-exclusive privilege and license, during the Lease Term, to use the non-restricted Common Areas in common with all other authorized users thereof.

2.2 For purposes of this Lease, the following terms have the definitions set forth below:

(a) "Automobile Parking Areas" means all areas designated for automobile parking upon the Land. Automobile Parking Areas are Common Areas, but certain parking areas are restricted. (See Parking Rules & Regulations).

(b) "Common Areas" means those areas within the Building and Land not leased to any tenant and which are intended by Landlord to be available for the use, benefit, and enjoyment of all occupants of the Building.

(c) "Interior Common Facilities" means lobbies, corridors, hallways, elevator foyers, restrooms, mail rooms, mechanical and electrical rooms, janitor closets, and other similar facilities used by tenants or for the benefit of tenants on a non-exclusive basis. Access to certain Interior Common Facilities is restricted.

(d) "Project" means the building and land located at 55 Cambridge Parkway, Cambridge, MA.

(e) "Load Factor" means the quotient of the Rentable Square Footage of the Building divided by the aggregate Usable Square Footage of all premises and occupiable space in the Building, and is subject to change from time to time.

(f) "Rentable Square Footage" means (1) with respect to the Building, the sum of the total area of all floors in the Building (including Interior Common Facilities but excluding stairs, elevator shafts, vertical shafts, parking areas and exterior balconies), computed by measuring to the exterior surface of permanent outside walls; and (2) with respect to the Premises, the Usable Square Footage of the Premises multiplied by the Load Factor.

(g) "Usable Square Footage" means the area of the Premises (or other space occupiable by tenants as the case may be) computed by measuring to the exterior surface of permanent outside walls, to the midpoint of corridor and demising walls and to the Tenant side of permanent interior walls and Interior Common Facilities walls (other than corridor walls).

ARTICLE 3. TERM

The term of this Lease and the Commencement Date shall be as specified in Section 1.1. Subject to the terms and provisions hereof, Landlord shall use reasonable efforts to provide the Premises with the Tenant Improvements substantially complete (as such term is defined in Exhibit D) on or before the date that is one hundred fifty (150) days after Plan Approval (as defined in Exhibit D) (the "Estimated Delivery Date") to the extent reasonably practicable. If the Premises are not substantially complete by the Estimated Delivery Date (as extended by periods of force majeure or delays caused by Tenant), Landlord shall not be deemed in default of this Lease, nor shall Landlord be liable to Tenant for failing to deliver the Premises to Tenant by any particular date, and except as expressly set forth herein, Tenant shall not have the right to terminate this Lease for Landlord's failure to timely deliver the Premises by any particular date. If the Premises are not substantially complete enough that Tenant can reasonably take occupancy of them within ninety (90) days after the Estimated Delivery Date (as extended by periods of force majeure or delays caused by Tenant), Tenant's sole remedies shall be to either enter into a mutually acceptable revision of the appropriate terms of this Lease with Landlord, or to cancel this Lease with ten (10) days written notice to Landlord. Notwithstanding the foregoing, if said delays are caused by Tenant, then this Lease, and all of the obligations herein, shall commence on the date that the Commencement Date would have occurred but for such Tenant delays. By occupying the Premises, Tenant shall be deemed to have accepted the Premises in their condition as of the date of such occupancy, subject to the performance of punch-list items that remain to be performed by Landlord, if any. Prior to occupying the Premises, Tenant shall execute and deliver to Landlord a letter substantially in the form of Exhibit E hereto confirming: (1) the Commencement Date (as defined in the Basic Lease Information) and the expiration date of the Lease Term (as defined in the Basic Lease Information); (2) that Tenant has accepted the Premises; and (3) that Landlord has performed all of its obligations with respect to the Premises (except for punch-list items specified in such letter); however, the failure of the parties to execute such letter shall not defer the Commencement Date or otherwise invalidate this Lease. Tenant's failure to execute such document within ten (10) days of receipt thereof from Landlord shall be a default by Tenant under this Lease and shall be deemed to constitute Tenant's agreement to the contents of such document. Occupancy of the Premises by Tenant prior to the Commencement Date ("Early Occupancy") shall be subject to all of the provisions of this Lease, including the

payment of Minimum Monthly Rent prorated on a per diem basis for each day of Early Occupancy.

ARTICLE 4. MINIMUM MONTIILY RENT

Commencing on the Commencement Date, Tenant shall pay to Landlord, without deduction, setoff, prior notice, or demand, the Minimum Monthly Rent, payable in advance on the first day of each calendar month during the Lease Term. If the Commencement Date occurs on a date other than the first day of a calendar month, the Minimum Monthly Rent for that month shall be prorated on a per diem basis and be paid to Landlord on or before the Commencement Date.

ARTICLE 5. ADDITIONAL RENT/EXPENSE STOP/TAX STOP

Tenant shall pay as additional rent each year the amount, if any, by which the Tenant's Share of Operating Costs during each Operating Year of the Lease Term (or portion thereof) exceeds the Base Operating Share. For purposes of this Lease, "Base Operating Share" means an amount equal to the product of the Rentable Square Footage of the Premises multiplied by the Expense Stop, and "Tenant's Share of Operating Costs" means an amount equal to the product of the Rentable Square Footage of the Premises multiplied by the actual per square foot Operating Costs for the Project during the applicable Operating Year of the Lease Term. If the Lease Term begins or ends anytime other than the first or last day of an Operating Year, Operating Costs and the Tenant's Share of Operating Costs thereof shall be prorated. Prior to the end of each Operating Year, Landlord shall provide Tenant with a written statement of Landlord's estimate of Operating Costs and Tenant's Estimated Share of Operating Costs for the next succeeding Operating Year. If the Estimated Share of Operating Costs exceeds the Base Operating Share, Tenant shall pay Landlord, concurrently with each payment of the Minimum Monthly Rent for the next Operating Year, an amount equal to one-twelfth (1/12) of the amount by which the Estimated Share of Operating Costs exceeds the Base Operating Share. Landlord may, at any time, revise the Estimated Share of Operating Costs and adjust the required monthly payment accordingly. Within ninety (90) days after the end of each Operating Year, or as soon thereafter as reasonably possible, Landlord shall provide Tenant with a statement showing Landlord's actual Operating Costs and Tenant's Share of the actual Operating Costs for the preceding Operating Year (the "Actual Share"). If the Actual Share exceeds the Estimated Share paid by Tenant during that Operating Year, Tenant shall pay the excess at the time the next succeeding payment of Minimum Monthly Rent is payable (or within ten (10) days if the Lease Term has expired or been Terminated). If the Actual Share is less than the Estimated Share of Operating Costs paid by Tenant, Landlord shall apply such excess to payments next falling due under this paragraph (or, at Tenant's option, refund the same to Tenant or credit amounts due from Tenant if the Lease Term has expired or been terminated). In the event the Building is not fully occupied during any Operating Year, an adjustment shall be made by Landlord in calculating the Operating Costs for such Operating Year so that the Operating Costs shall be adjusted to the amount that would have been incurred had the Building been fully occupied during such Operating Year. For purposes of this Lease (a) "Operating Costs" means and includes all costs of management, maintenance, and operation of the Project not attributable to any other tenant, including but not limited to the costs of cleaning, repairs, utilities, air conditioning, heating, plumbing, elevator, parking, landscaping, insurance, and all other costs which can properly be

considered operating expenses but excluding costs of property additions, alterations for tenants, leasing commissions, advertising, income taxes and administrative costs not specifically incurred in the management, maintenance and operation of the Project; and (b) "Operating Year" means a year beginning January 1 and ending December 31. Tenants with leases expiring or Terminating prior to the end of the Operating Year shall be responsible for their portion of Operating Costs above the Base Operating Share based on Landlord's estimate of Operating Costs.

Tenant shall also pay as additional rent each year the amount, if any, by which the Tenant's Share of Taxes during each Operating Year of the Lease Term (or portion thereof) exceeds the Base Tax Share. For purposes of this Lease, "Base Tax Share" means an amount equal to the product of the Rentable Square Footage of the Premises multiplied by the Tax Stop, and "Tenant's Share of Taxes" means an amount equal to the product of the Rentable Square Footage of the Premises multiplied by the actual per square foot Taxes during the applicable Operating Year of the Lease Term. If the Lease Term begins or ends anytime other than the first or last day of an Operating Year, Taxes and the Tenant's Share of Taxes shall be prorated. Prior to the end of each Operating Year, Landlord shall provide Tenant with a written statement of Landlord's estimate of Taxes and Tenant's Estimated Share of Taxes for the next succeeding Operating Year. If the Estimated Share of Taxes exceeds the Base Tax Share, Tenant shall pay Landlord, concurrently with each payment of the Minimum Monthly Rent for the next Operating Year, an amount equal to one-twelfth (1/12) of the amount by which the Estimated Share of Taxes exceeds the Base Tax Share. Landlord may, at any time, revise the Estimated Share of Taxes and adjust the required monthly payment accordingly. Within ninety (90) days after the end of each Operating Year, or as soon thereafter as reasonably possible, Landlord shall provide Tenant with a statement showing Landlord's actual Taxes and Tenant's Share of the actual Taxes for the preceding Operating Year (the "Actual Tax Share"). If the Actual Tax Share exceeds the Estimated Share of Taxes paid by Tenant during that Operating Year, Tenant shall pay the excess at the time the next succeeding payment of Minimum Monthly Rent is payable (or within ten (10) days if the Lease Term has expired or been Terminated). If the Actual Tax Share is less than the Estimated Share of Taxes paid by Tenant, Landlord shall apply such excess to payments next falling due under this Article (or refund the same to Tenant or credit amounts due from Tenant if the Lease Term has expired or been Terminated). Taxes means all real estate taxes and assessments (including, without limitation, assessments for public improvements or benefits and water and sewer use charges), and other charges or fees in the nature of taxes for municipal services which at any time during or in respect of the Lease Term may be assessed, levied, confirmed or imposed on or in respect of, or be a hen upon, the Project, or any part thereof, or any rent therefrom or any estate, right, or interest therein, or any occupancy, use, or possession of such property or any part thereof, and ad valorem taxes for any personal property used in connection with the Project. Without limiting the foregoing, Taxes shall also include any payments made by Landlord in lieu of taxes and all business improvement district payments. Landlord agrees that Tenant's share of any special assessment shall be determined (whether or not Landlord avails itself of the privilege so to do) as if Landlord had elected to pay the same in installments over the longest period of time permitted by applicable law and Tenant shall be responsible only for those installments (including interest accruing and payable thereon) or parts of installment that are attributable to periods within the Lease Term.

ARTICLE 6. PARKING

So long as Tenant shall not be in default under this Lease beyond the expiration of applicable notice and cure periods, Tenant shall have the right to use three (3) parking spaces in the Automobile Parking Areas on an unreserved, unassigned basis, in common with other tenants of the Building. Tenant shall pay to Landlord each month with the payment of Minimum Annual Rent the then monthly parking charge (currently $250 per space per month) set by Landlord, regardless of whether Tenant or any invitees, employees or contractors of Tenant actually use such spaces, for each of the three (3) parking spaces (the "Parking Charges"). Such rate shall be subject to change by Landlord during the Lease Term. Tenant shall be responsible for causing its visitors to park only in spaces or areas marked "Visitor parking" and Tenant and its employees shall not park in spaces or areas marked "Visitor-Parking" or ''No parking". Landlord reserves the right to tow any cars parked in "Visitor Parking" or ''No Parking" areas at the sole expense of the owner of the improperly parked car. Landlord reserves the right to designate reserved parking spaces for the Building's tenants. Nothing contained herein shall be deemed to create liability upon Landlord for any damage to motor vehicles of Tenant's Permittees, or from loss of property from within such motor vehicles while parked in the Automobile Parking Areas. Landlord has the right to enforce against all users of the Automobile Parking Areas the rules and regulations set forth on Exhibit C (the "Parking Rules and Regulations"), as the same may be amended by Landlord from time to time.

ARTICLE 7. PERSONAL PROPERTY TAXES

Tenant shall pay, prior to delinquency, all taxes levied upon fixtures, furnishings, equipment, and personal property placed on the Premises by Tenant.

ARTICLE 8. PAYMENT OF RENT/LATE CHARGES/INTEREST ON PAST-DUE OBLIGATIONS

Tenant shall pay the rent and all other charges specified in this Lease to Landlord at the address set forth on Section 1.1 of this Lease, or to another person and at another address as Landlord from time to time designates in writing. All monetary obligations of Tenant, including Minimum Monthly Rent, additional rent, or other charges payable by Tenant to Landlord under the Terms of this Lease shall be deemed "Rent", and any Rent not received within ten (10) days after the due date (the "Delinquency Date") thereof shall automatically (and without notice) incur a late charge of five percent (5%) of the delinquent amount. Except as otherwise provided herein, any Rent due to Landlord not paid when due shall bear interest, from the date due, at the maximum rate then allowable by law or judgments. Any such late charge and interest shall be payable as additional rent under this Lease, shall not be considered a waiver by Landlord of any default by Tenant hereunder, and shall be payable immediately on demand; provided, however, that interest shall not be payable on late charges incurred by Tenant.

ARTICLE 9. SECURITY DEPOSIT

Tenant shall, upon execution of this Lease, deposit with Landlord the Security Deposit, as security for the performance of terms and provisions of this Lease by Tenant, which shall be returned to Tenant within thirty (30) days following the date on which this Lease expires or

Terminates so long as Tenant is not in default under this Lease. No interest shall accrue on the Security Deposit, and same shall not be held in a segregated account, unless required by applicable law. The Security Deposit shall not be used to pay the last month's lease payment.

At Tenant's election, the Security Deposit may be provided to Landlord in the form of a clean, irrevocable, non-documentary and unconditional letter of credit (the "Letter of Credit") issued by and drawable upon any commercial bank satisfactory to Landlord, trust company, national banking association or savings and loan association (the "Issuing Bank"). A current list of Issuing Banks satisfactory to Landlord is attached to this Lease as Exhibit H. Landlord reserves the right to amend from time to time the list of issuing Banks that are satisfactory to Landlord. Such Letter of Credit shall (a) name Landlord as beneficiary, (b) be in the amount of the Security Deposit, (c) have a Term of not less than one year, (d) permit multiple drawings, (e) be fully transferable by Landlord without the payment of any fees or charges by Landlord, and (f) otherwise be in form and content reasonably satisfactory to Landlord. If upon any transfer of the Letter of Credit, any fees or charges shall be so imposed, then such fees or charges shall be payable solely by Tenant. The Letter of Credit shall provide that it shall be deemed automatically renewed, without amendment, for consecutive periods of one year each thereafter during the Term unless the Issuing Bank sends a notice (the "Non-Renewal Notice") to Landlord by certified mail, return receipt requested, not less than forty-five (45) days next preceding the then expiration date of the Letter of Credit stating that the Issuing Bank has elected not to renew the Letter of Credit. Landlord shall have the right, upon receipt of the Non Renewal Notice, to draw the full amount of the Letter of Credit, by sight draft on the Issuing Bank, and shall thereafter hold or apply the cash proceeds of the Letter of Credit pursuant to the Terms of this Article 9 until Tenant provides a suitable substitute Letter of Credit. The Issuing Bank shall agree with all drawers, endorsers and bona fide holders that drafts drawn under and in compliance with the Terms of the Letter of Credit will be duly honored upon presentation to the Issuing Bank at an office location in Boston or New York or another location acceptable to Landlord. The Letter of Credit shall be subject in all respects to the Uniform Customs and Practice for Documentary Credits (1993 revision), International Chamber of Commerce Publication No. 500.

While an Event of Default is continuing, Landlord may notify the Issuing Bank and thereupon receive all or a portion of the Security Deposit represented by the Letter of Credit and use, apply, or retain the whole or any part of such proceeds, as the case may be, to the extent required for the payment of any rent or any other sums as to which there is an Event of Default by Tenant including (a) any sum which Landlord may expend or may be required to expend by reason of an Event of Default by Tenant, and/or (b) any damages or deficiency to which Landlord is entitled pursuant to this Lease or applicable legal requirements, whether such damages or deficiency accrues before or after summary proceedings or other reentry by Landlord. If Landlord applies or retains any part of the Security Deposit as provided above, Tenant, upon demand, shall deposit with Landlord the amount so applied or retained so that Landlord shall have the full Security Deposit on hand at all times during the Term.

Upon a sale of the Project or any financing of Landlord's interest therein, Landlord shall transfer the Letter of Credit to the vendee or lender (if required by such lender). With respect to the Letter of Credit, within seven (7) business days after notice of such sale or financing, Tenant, at its sole cost (except as otherwise provided above), shall arrange for the transfer of the Letter of

Credit to the new landlord or the lender (if required by such lender), as designated by Landlord in the foregoing notice or have the Letter of Credit reissued in the name of the new landlord or the lender upon receipt from Landlord of the original Letter of Credit. Provided that such Letter of Credit is transferred to the new landlord or lender, Tenant shall look solely to the new landlord or lender for the return of such Letter of Credit and the provisions hereof shall apply to every transfer or assignment made of the Security Deposit to a new landlord. Tenant shall not assign or encumber or attempt to assign or encumber the Letter of Credit and neither Landlord nor its successors or assigns shall be bound by any such action or attempted assignment or encumbrance.

Provided that (a) Tenant's Total Stockholder's equity shown on its then most recent 10-Q filing shall be at least $34,849,000.00 on the effective date of such reduction and (b) there have been no Event of Default under the Lease through the effective date of such reduction, Tenant may reduce the Letter of Credit, effective as of the first day of the nineteenth (19th) full calendar month of the Lease Term, to $73,365.32 by providing to Landlord an amendment to the Letter of Credit or a replacement Letter of Credit meeting the provisions of this Article 9 and reflecting such $73,365.32 amount on or before the first day of the twenty-first (21st) full calendar month of the Lease Term.

Provided that (a) the Letter of Credit shall have been previously reduced under the prior paragraph, (b) Total Stockholder's equity shown on its then most 10-Q filing shall be at least $34,849,000.00 on the effective date of such reduction and (c) there have been no Event of Default under the Lease through the effective date of such reduction, Tenant may reduce the Letter of Credit, effective as of the first day of the thirty-seventh (37th) full calendar month of the Lease Term, to $55,239.99 by providing to Landlord an amendment to the Letter of Credit or a replacement Letter of Credit meeting the provisions of this Article 9 and reflecting such $55,239.99 amount on or before the first day of the thirty-ninth (39th) full calendar month of the Lease Term.

ARTICLE 10. CONSTRUCTION OF THE PREMISES

Landlord shall construct the Tenant Improvements in accordance with Exhibit D attached hereto. Except for the Tenant Improvements, Tenant accepts the Premises in their "as is" condition on the date that this Lease is executed. Prior to the Commencement Date, any work performed by Tenant or any fixtures or personal property moved onto the Premises shall be at Tenant's own risk, Tenant's entry onto the Premises shall be subject to all provisions of this Lease (other than the payment of Minimum Monthly Rent and additional rent) and neither Landlord nor Landlord's agents or contractors shall be responsible to Tenant for damage or destruction of Tenant's property.

ARTICLE 11. ALTERATIONS

After completion of Landlord's performance of the Tenant Improvements pursuant to Exhibit D, Tenant shall not make or cause to be made any further additions, alterations, improvements, Utility Installations or repairs in, on or about the Premises, the Building or the Project without the prior written consent of Landlord. As used in this Article, the term "Utility Installation" shall mean carpeting, window and wall coverings, power panels, electrical

distribution systems, lighting fixtures, air conditioning, plumbing, and telephone and telecommunication wiring and equipment. At the expiration of the term, Landlord may require the removal of any and all of said additions, alterations, improvements or Utility Installations, and the restoration of the Premises, Building and Project to their prior condition, at Tenant's expense. Should Landlord permit Tenant to make its own additions, alterations, improvements or Utility Installations, Tenant may only use such contractor as has been expressly approved by Landlord, and Landlord may require Tenant to provide Landlord, at Tenant's sole cost and expense, a lien and completion bond in an amount equal to one and one-half times the estimated cost of such improvements, to insure Landlord against any liability for mechanic's and materialmen's liens and to insure completion of the work. Should Tenant make any additions, alterations, improvements or Utility Installations without the prior approval of Landlord, or use a contractor not expressly approved by Landlord, Landlord may, at any time during the Lease Term, require that Tenant remove any part or all of the same. All additions, alterations, improvements and Utility Installations (whether or not such Utility Installations constitute trade fixtures of Tenant), which may be made to the Premises by Tenant, including but not limited to, floor coverings, panelings, doors, drapes, built-ins, moldings, sound attenuation, and lighting and telephone or communication systems, conduit, wiring and outlets, shall be made and done in a good and workmanlike manner, in compliance with the Contractor Rules and Regulations set forth in Exhibit D-1 and the Energy and Sustainability Construction Guidelines and Requirements set forth in Exhibit D-2, and of good and sufficient quality and materials and shall be the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Lease Term, unless Landlord requires their removal as described above. Provided Tenant is not in default, notwithstanding the provisions of this Article, Tenant's personal property and equipment, other than that which is affixed to the Premises so that it cannot be removed without material damage to the Premises or Building or Project, and other than Utility Installations, shall remain the property of Tenant and may be removed by Tenant as provided herein. Tenant shall provide Landlord with as-built plans and specifications for any additions, alterations, improvements or Utility Installations. All voice, data, video, audio and other low voltage control transport system cabling and/or cable bundles installed in the Building by Tenant or its contractor shall be (A) plenum rated and/or have a composition makeup suited for its environmental use in accordance with NFPA 70/National Electrical Code (B) labeled every 3 meters with the Tenant's name and origination and destination points; (C) installed in accordance with all EIA/TIA standards and the National Electric Code; and (D) installed and routed in accordance with a routing plan showing "as built" or "as installed" configurations of cable pathways, outlet identification numbers, locations of all wall, ceiling and floor penetrations, riser cable routing and conduit routing (if applicable), and such other information as Landlord may request. The routing plan shall be available to Landlord and its agents at the Building upon request. Notwithstanding anything set forth herein to the contrary, subject to Tenant's adherence to the above provisions of this Article 11 and Section 17.4, Tenant shall be permitted to make cosmetic, non-structural alterations to the Premises in an amount of $20,000 or less per Lease Year without having to obtain Landlord's prior approval or submit plans to Landlord.

ARTICLE 12. PERSONAL PROPERTY/SURRENDER OF PREMISES

All personal property located in the Premises shall remain the property of Tenant and may be removed by Tenant not later than the expiration or the earlier termination of the Lease Term. Tenant shall promptly repair, at its own expense, any damage resulting from such removal. All cabinetry, built-in appliances, wall coverings, floor coverings, window coverings, electrical fixtures, plumbing fixtures, conduits, lighting, and other special fixtures that may be placed upon, installed in, or attached to the Premises by Tenant shall, at the termination of this Lease be the property of Landlord unless Landlord requires its removal as set forth in Article 11. At the expiration or upon the earlier termination of this Lease Term, Tenant shall surrender the Premises in good condition, reasonable wear and tear excepted, and shall deliver all keys to Landlord.

ARTICLE 13. LIENS

Tenant shall keep the Premises, Building, and the Project free from any liens arising out of work performed, material furnished, or obligations incurred due to the actions of Tenant or Tenant's Permittees or the failure of Tenant to comply with any law. In the event any such lien does attach against the Premises, Building, or Project, and Tenant does not discharge the lien or post bond (which under law would prevent foreclosure or execution under the lien) within ten (10) days after demand by Landlord, such event shall be a default by Tenant under this Lease and, in addition to Landlord's other rights and remedies, Landlord may take any action necessary to discharge the lien at Tenant's expense.

ARTICLE 14. USE OF PREMISES/RULES AND REGULATIONS

14.1 Without the prior approval of Landlord, Tenant shall not use the Premises for any use other than for general business office purposes (the "Permitted Use") and Tenant agrees that it will use the Premises in such manner as to not interfere with or infringe on the rights of other tenants in the Building or Project. Tenant agrees to comply with all applicable laws, ordinances and regulations in connection with its use of the Premises, agrees to keep the Premises in a clean and sanitary condition, and agrees not to perform any act in the Building which would increase any insurance premiums related to the Building or Project or would cause the cancellation of any insurance policies related to the Building or Project. Tenant shall not use, generate, manufacture, store, or dispose of, in, under, or about the Premises, the Building, the or the Project or transport to or from the Premises, the Building, the or the Project, any Hazardous Materials. For purposes of this Lease, "Hazardous Materials" includes, but is not limited to: (i) flammable, explosive, or radioactive materials, hazardous wastes, toxic substances, or related materials; (ii) all substances defined as "hazardous substances," "hazardous materials," "toxic substances," or "hazardous chemical substances or mixtures" in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq., as amended by Superfund Amendments and Re-authorization Act of 1986; the Hazardous Materials Transportation Act, 49 U.S.C. § 1901, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq.; (iii) those substances listed in the United States Department of Transportation Table (49 CFR 172.10 and amendments thereto) or by the Environmental Protection Agency (or any successor agent) as hazardous substances (40 CFR Part 302 and amendments thereto); (iv) any material, waste, or substance which is

(A) petroleum, (B) asbestos, (C) polychlorinated biphenyl's, (D) designated as a "hazardous substance" pursuant to § 311 of the Clean Water Act, 33 U.S.C. § 1251 et seq. (33 U.S.C. § 1321) or listed pursuant to the Clean Water Act (33 U.S.C. § 1317); (E) flammable explosives; or (F) radioactive materials; and (v) all substances defined as "hazardous wastes" in the statutes of the state in which the Premises are located (the "State").

14.2 Tenant shall comply with the rules and regulations of the Building which are attached hereto as Exhibit B. Landlord may, from time to time, change such rules and regulations for the safety, care, or cleanliness of the Building and related facilities, provided that such changes are communicated to Tenant in writing, are applicable to all tenants of the Building, will not unreasonably interfere with Tenant's use of the Premises and are enforced by Landlord in a non-discriminatory manner. Tenant shall be responsible for the compliance with such rules and regulations by any assignees claiming by, through, or under Tenant; any subtenants claiming by, through, or under Tenant; and any of their respective agents, contractors, employees, and invitees. Tenant shall not use or operate the Premises in any manner that will cause the Building or any part thereof not to conform with Landlord's Sustainability Initiative or certification of the Building in accordance with the Green Certification, as may be determined by Landlord. Tenant agrees to comply with and cooperate with Landlord 's efforts to comply with energy efficiency, green building and/or carbon reduction laws, including without limitation occupant, water, energy and transportation surveys within the city, country, state or any other jurisdiction. In the event of a conflict between the Terms of this Lease and any rules or regulations adopted by Landlord (including, but not limited to, those set forth in Exhibit B, the Terms of this Lease shall prevail.

14.3 Tenant covenants and agrees, at its sole cost and expense: (i) to comply with all present and future laws, orders and regulations of the Federal, State, county, municipal or other governing authorities, departments, commissions, agencies and boards regarding the collection, sorting, separation, and recycling of garbage, trash, rubbish and other refuse (collectively, "trash"); (ii) to comply with Landlord's recycling policy as part of Landlord's Sustainability Initiative (defined below) where it may be more stringent than applicable Law; (iii) to sort and separate its trash and recycling into such categories as are provided by Law or Landlord's Sustainability Initiative; (iv) that each separately sorted category of trash and recycling sha11 be placed in separate receptacles as directed by Landlord; (v) that Landlord reserves the right to refuse to collect or accept from Tenant any waste that is not separated and sorted as required by Law, and to require Tenant to arrange for such collection at Tenant's sole cost and expense, utilizing a contractor satisfactory to Landlord; and (vi) that Tenant shall pay all costs, expenses, fines, penalties or damages that may be imposed on Landlord or Tenant by reason of Tenant's failure to comply with the provisions of this Section. Tenant shall provide Landlord as reasonably requested and no less than annually with copy of waste manifests for all waste that leaves the Building that is within Tenant's direct control, including but not limited to off-site paper shredding and electronic waste.

14.4 Tenant acknowledges that Landlord may elect, in Landlord's sole discretion, to implement energy efficient and environmentally sustainable practices (collectively, the "Sustainability Initiative") and, in furtherance of same may pursue an environmental sustainability monitoring and certification program such as Energy Star, Green Globes-CIEB, LEED, or similar programs ("Green Certification"). Tenant acknowledges that in

order to further its Sustainability Initiative or pursue Green Certification, Landlord may be required to provide information, including a copy of this Lease (redacted if necessary to remove confidential information) and historical and current data regarding energy use, materials, procedures and systems operation within the Project, Building and/or Premises to the Green Building Certification Institute ("GBCI") or to another certification body or agency, in order to demonstrate compliance with various program requirements. Tenant agrees that throughout the Lease Term: (i) Landlord may furnish a copy of this Lease (redacted as necessary) and other information provided from Tenant to Landlord as reasonably necessary to comply with Green Certification requirements; (ii) Tenant shall cooperate in good faith to maintain and provide Landlord with historical and current data regarding energy use, materials, procedures and systems operation by Tenant or within the Premises as Landlord shall reasonably require in order to meet the Sustainability Initiative, including without limitation documentation Tenant (or its consultant or contractor) has or may submit to obtain a "Green Certification" for the Premises; and (iii) Tenant shall cooperate with Landlord and comply with the Sustainability standards including, without limitation, all monitoring and data collection, maintenance, access, documentation and reporting requirements set forth therein. Tenant will make available to Landlord, upon Landlord's request, any information in Tenant's possession or control concerning matters necessary or desirable in its efforts to obtain or maintain Green Certification. Landlord's Sustainability Initiative may include, without limitation, matters addressing operations and maintenance, including, without limiting: chemical use; indoor air quality; energy efficiency; water efficiency; recycling programs; exterior maintenance programs; and systems upgrades to meet green building energy, water, indoor air quality, and lighting performance standards. Tenant's construction and maintenance methods and procedures, material purchases, and disposal of waste shall be in compliance with minimum standards and specifications of Landlord's Sustainability Initiative as Landlord may establish from time to time, in addition to all applicable Laws. Tenant shall use proven energy and carbon reduction measures, including energy efficient bulbs in task lighting; use of lighting controls; daylighting measures to avoid overlighting interior spaces; closing shades on the South side of the Building to avoid over heating the space; turning off lights and equipment at the end of the work day; and purchasing ENERGY STAR® qua1ified equipment, including but not limited to lighting, office equipment, commercial and residential quality kitchen equipment, vending and ice machines; and/or purchasing products certified by the U.S. EPA's Water Sense® program. Before closing and leaving the Premises at any time, Tenant shall use reasonable efforts to turn off all lights, electrical appliances and mechanical equipment that are not otherwise required to remain on. The use of space heaters is prohibited.

ARTICLE 15. RIGHTS RESERVED BY LANDLORD

In addition to all other rights, Landlord has the following rights, exercisable without notice to Tenant and without effecting an eviction, constructive or actual, and without giving right to any claim for set off or abatement of rent: (a) to decorate and to make repairs, alterations, additions, changes, or improvements in and about the Building during Building Business Hours (b) to approve the weight, size, and location of heavy objects in and about the Premises and the Building, and to require all such items to be moved into and out of the Building and Premises in such manner as Landlord shall direct in writing; (c) to prohibit the placing of vending machines in or about the Premises without the prior written consent of Landlord; (d) to take all such reasonable measures for the security of the Building and its occupants (provided

that Landlord shall have no obligation to provide any such security unless required by law); (e) to relocate the Premises to another location of substantially equivalent size in the Building provided such relocation does not increase the Minimum Monthly Rent or other costs payable by Tenant under this Lease. If Landlord elects to move Tenant, the suite into which Tenant is re-located shall have substantially similar leasehold improvements as were in the original Premises and Landlord will pay Tenant's reasonable costs of moving to the new location, including incidental costs such as reprinting existing stock of stationery and new signage, but Landlord will have no other liability to Tenant with respect to relocation and (f) to temporarily block off parking spaces for maintenance or construction purposes.

ARTICLE 16. QUIET ENJOYMENT

Landlord agrees that, provided a default by Tenant has not occurred, Landlord will do nothing that will prevent Tenant from quietly enjoying and occupying the Premises during the Lease Term. Tenant agrees this Lease is subordinate to the Rules and Regulations described in Article 14 and the Parking Rules and Regulations described in Article 6. Except in cases of emergency, scheduled Building maintenance shut-downs and subject to Landlord's after-hours procedures, Tenant and its personnel shall have access to the Premises 24 hours per day, 7 days per week and 365 days per Lease Year.

ARTICLE 17. MAINTENANCE AND REPAIR

17.1 Landlord shall, subject to reimbursement for Operating Costs, keep and maintain in good repair and working order, subject to reasonable wear and tear: (1) structural elements of the Building; (2) standard mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building generally, together with air filters provided by Landlord for the HVAC serving the Premises, if any and standard light fixtures provided by Landlord to the Premises, if any; (3) Common Areas; (4) the roof of the Building; (5) exterior windows of the Building; and (6) elevators serving the Building, reasonable wear and tear excepted. Tenant shall give immediate written notice of any required repairs to Landlord and Landlord shall have a reasonable time after receipt by Landlord of such written notice in which to make such repairs. LANDLORD SHALL NOT BE LIABLE TO TENANT FOR ANY INTERRUPTION OF TENANT'S BUSINESS OR INCONVENIENCE CAUSED DUE TO ANY WORK PERFORMED IN THE PREMISES OR IN THE PROJECT PURSUANT TO LANDLORD'S RIGHTS AND OBLIGATIONS UNDER THIS LEASE. TO THE EXTENT ALLOWED BY LAW, TENANT WAIVES THE RIGHT TO MAKE REPAIRS AT LANDLORD'S EXPENSE. If Landlord would be required to perform any maintenance or make any repairs because of: (a) modifications to the roof, walls, foundation, and floor of the Building from that set forth in Landlord's plans and specifications which are required by Tenant's design for improvements, alterations and additions; (b) installation of Tenant's improvements, fixtures, or equipment; (c) a negligent or wrongful act of Tenant or Tenant's Permittees; or, (d) Tenant's failure to perform any of Tenant's obligations under this Lease, Landlord may perform the maintenance or repairs and Tenant shall pay Landlord the cost thereof.

17.2 Tenant agrees to: (a) pay Landlord's cost of maintenance and repair, including additional janitorial costs of any non-Building standard improvements and non-Building standard materials and finishes and (b) repair or replace all ceiling and wall finishes (including painting) and floor

or window coverings which require repair or replacement during the Lease Term, at Tenant's sole cost; (c) at Tenant's sole cost, maintain and repair interior partitions; doors; electronic, phone and data cabling and related equipment that is installed by or for the benefit of Tenant and located in the Premises or other portions of the Building or Project; supplemental air conditioning units, private showers and kitchens, including hot water heaters, plumbing, dishwashers, ice machines and similar facilities serving Tenant exclusively; phone rooms used exclusively by Tenant; alterations performed by contractors retained by or on behalf of Tenant; and all of Tenant's furnishings, trade fixtures, equipment and inventory; and (d) Tenant shall adopt and implement the moisture and mold control guidelines set forth on Exhibit F attached hereto.

17.3 Notwithstanding anything in this Lease to the contrary, to the extent the Terms and provisions of Article 22 conflict with, or are inconsistent with, the terms and provisions of this Article 17, the Terms and provisions of Article 22 shall control. Tenant shall take all reasonable precautions to insure that the Premises are not subjected to excessive wear and tear, i.e. chair pads should be utilized by Tenant to protect carpeting. Tenant shall be responsible for touch-up painting in the Premises throughout the Lease Term.

17.4 All alterations and repairs by Tenant shall be performed only by contractors and subcontractors approved in writing by Landlord. Tenant shall cause all contractors and subcontractors to procure and maintain insurance coverage against such risks, in such amounts, and with such companies as Landlord may reasonably require, but in no event less than: (i) Commercial General Liability insurance on an occurrence basis in amounts not less than $5,000,000 ($1,000,000 of which may be in excess umbrella coverage) naming Landlord, Landlord's property management company and Invesco Advisers, Inc. ("Invesco") as additional insureds; (ii) workers' compensation insurance in amounts required by statute; and (iii) Business Automobile Liability insurance on an occurrence basis in amounts not less than $1,000,000. Tenant shall provide Landlord with insurance certificates for such contractors and subcontractors prior to commencement of any work. Tenant shall provide Landlord with the identities, mailing addresses and telephone numbers of all persons performing work or supplying materials prior to beginning such construction and Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable laws. All such work shall be performed in accordance with all laws and in a good and workmanlike manner so as not to damage the Building (including the Premises, the Building's structure and the Building's systems). All such work which may affect the Building's structure or the Building's systems, at Landlord's election, must be performed by Landlord's usual contractor for such work or a contractor approved by Landlord. All work affecting the roof of the Building must be performed by Landlord's roofing contractor or a contractor approved by Landlord and no such work will be permitted if it would void or reduce the warranty on the roof.

ARTICLE 18. UTILITIES AND JANITORIAL SERVICES

Landlord agrees to furnish through Landlord's employees or independent contractors, the Building services listed in Exhibit G. If Tenant shall require electric current, water, heating, cooling, or air which will result in excess consumption of such utilities or services, Tenant shall first obtain the written consent of Landlord to the use thereof. If, in Landlord's reasonable discretion, Tenant consumes any utilities or services in excess of the normal consumption of

such utilities and services for general office use, Tenant agrees to pay Landlord for the cost of such excess consumption of utilities or services, upon receipt of a statement of such costs from Landlord, at the same time as payment of the Minimum Monthly Rent is made. Landlord shall have the right to install separate electrical meters, at Landlord's expense, to measure excess consumption or establish another basis for determining the amount of excess consumption of electrical current. Further, Landlord shall have the right to install electronic HVAC over-time hour meters for Tenant's convenience. These meters shall be used, in part, by Landlord to determine Tenant's excess HVAC consumption for purposes of billing Tenant for such excess charges. If Tenant desires HVAC at a time other than normal Building Business Hours as defined in Section 1.1: (i) Tenant shall give Landlord such prior notice as Landlord shall from time to time establish as appropriate of Tenant's desired use; (ii) Landlord shall supply such after-hours HVAC to Tenant at such hourly costs to Tenant as Landlord shall from time to time establish; and (iii) Tenant shall pay such cost within ten (10) days after billing. Notwithstanding the foregoing, as an energy conservation measure, Landlord will not run heating and air conditioning equipment serving the Premises on Saturdays unless requested by Tenant (provided that Tenant shall not be charged for such Saturday service unless it is outside of Building Business Hours). The costs incurred by Landlord in providing HVAC service to Tenant at a time other than Building Business Hours, shall include costs for electricity, water, sewage, water treatment, labor, metering, filtering, and maintenance reasonably allocated by Landlord to providing such service. Landlord shall not be liable for damages nor shall rent or other charges abate in the event of any failure or interruption of any utility or service supplied to the Premises, Building or Project by a regulated utility or municipality, or any failure of a Building system supplying any such service to the Premises (provided Landlord uses diligent efforts to repair or restore the same) and no such failure or interruption shall entitle Tenant to abate rent or Terminate this Lease.

Landlord shall have the right to install on-site power (i.e., solar or small wind) at the Building or Project. Tenant agrees to cooperate with Landlord in connection with the installation and on-going operation of such on-site power. Tenant shall have no right to any renewable energy credits resulting from on-site renewable energy generation, even if Tenant uses such energy. Landlord may retain or assign such renewable energy credits in Landlord's sole discretion.

Tenant shall within ten (10) days of request by Landlord provide consumption data in form reasonably required by Landlord: (i) for any utility billed directly to Tenant and any subtenant or licensee; and (ii) for any submetered or separately metered utility supplied to the Premises for which Landlord is not responsible for reading. If Tenant utilizes separate services from those of Landlord, Tenant hereby consents to Landlord obtaining the information directly from such service providers and, upon ten (10) days prior written request, Tenant shall execute and deliver to Landlord and the service providers such written releases as the service providers may request evidencing Tenant's consent to deliver the data to Landlord. Any information provided hereunder shall be held confidential except for its limited use to evidence compliance with any sustainability standards. If Tenant fails to deliver any release or to provide any information requested hereunder within the ten (10) day period, then Landlord may charge Tenant the sum of $100.00 per day for each day after the ten (10) day period until delivered (the "Late Reporting Fee"), in addition to any other rights or remedies afforded to Landlord for an Event of Default pursuant to Article 28 of this Lease. A Tenant Party shall not use, nor allow

any of its parent, subsidiary or affiliated entities or architects, engineers, or other consultants or advisors to use, any of such consumption data or other information to challenge any sustainability score, rating, certification or other approval granted by any third party.

Tenant may not operate a Data Center within the Premises without the express written consent of Landlord. The Term "Data Center" shall have the meaning set forth in the U.S. Environmental Protection Agency's ENERGY STAR® program and is a space specifically designed and equipped to meet the needs of high-density computing equipment, such as server racks, used for data storage and processing. The space will have dedicated, uninterruptible power supplies and cooling systems. Data Center functions may include traditional enterprise services, on-demand enterprise services, high-performance computing, internet facilities and/or hosting facilities. A Data Center does not include space within the Premises utilized as a "server closet" or for a computer training area. In conjunction with the completion and operation of the Data Center approved by Landlord, Tenant shall furnish the following information to Landlord:

(a) Within ten (10) days of completion, Tenant shall report to Landlord the total gross floor area (in square feet) of the Data Center measured between the principal exterior surfaces of the enclosing fixed walls and including all supporting functions dedicated for use in the Data Center, such as any raised-floor computing space, server rack aisles, storage silos, control console areas, battery rooms, mechanical rooms for cooling equipment, administrative office areas, elevator shafts, stairways, break rooms and restrooms. If Tenant alters or modifies the area of the Data Center approved by Landlord in its sole discretion, Tenant shall furnish an updated report to Landlord on the square footage within ten (10) days following completion of the alterations or modifications.

(b) Within ten (10) days following the close of each month of operation of the Data Center, monthly IT Energy Readings at the output of the Uninterruptible Power Supply (UPS), measured in total kWh utilized for the preceding month (as opposed to instantaneous power readings), failing which in addition to same being an Event of Default, Tenant shall be obligated to pay to Landlord the Late Reporting Fee.

ARTICLE 19. ENTRY AND INSPECTION

Upon providing at least 24-hours advance written notice (except in cases of emergency and except in connection with the performance of Landlord's cleaning and janitorial obligations), Landlord shall have the right to enter into the Premises at reasonable times for the purpose of inspecting the Premises and reserves the right, during the last three months of the Term of this Lease, to show the Premises at reasonable times to prospective tenants. Except in cases of emergency and except in connection with the performance of Landlord's cleaning and janitorial obligations, Tenant shall have the right to have one of its personnel accompany Landlord's agents and any prospective tenants while on the Premises. Landlord shall be permitted to take any action under this Article without causing any abatement of rent or liability to Tenant for any loss of occupation or quiet enjoyment of the Premises, nor shall such action by Landlord be deemed an actual or constructive eviction.

ARTICLE 20. INSURANCE

20.1 Tenant's Insurance. All personal property and fixtures belonging to Tenant shall be placed and remain on the Premises at Tenant's sole risk. Effective as of the earlier of: (1) the date Tenant enters or occupies the Premises; or (2) the Commencement Date, and continuing throughout the Lease Term, Tenant shall maintain the following insurance policies:

(a) Commercial General Liability Insurance in amounts of no less than $5,000,000 per occurrence for bodily injury and property damage, $5,000,000 each person or organization for personal and advertising injury, $5,000,000 general aggregate, and $5,000,000 products and completed operations aggregate covering: (A) premises/operations liability,(B) personal and advertising injury liability, (C) independent contractors liability, and (D) broad form contractual liability. Such policy shall: (1) be primary and non contributory to any insurance or self insurance maintained by Tenant, Landlord, Landlord's property management company and Invesco with respect to the use and occupancy of the Premises including all operations conducted thereon; (2) include severability of interests or cross liability provisions; (3) be endorsed to add Landlord, Landlord's property management company, and Invesco Advisers, Inc. as additional insureds using Insurance Services Office ("ISO") form CG 20 26 1185 or a substitute equivalent form approved in writing by Landlord; (4) include terrorism coverage up to the full per occurrence and aggregate limits available under the policy; and (5) insure other activities that the Landlord deems necessary, such as insurance for liquor liability. Limits can be satisfied through the maintenance of a combination of primary and umbrella policies. Tenant may maintain such insurance on a multi-location basis provided that the aggregate limits or sublimits on each policy are dedicated to the Premises and thereby not subject to dilution by claims occurring at other locations. Tenant's independent contractors liability coverage under clause (C) above shall cover the interest of Tenant (and Landlord, as additional insured) but not the interests of independent contractors. Tenant shall carry product liability insurance on a stand alone, claims made policy basis.

(b) Automobile Liability Insurance covering the ownership, maintenance, and operations of any automobile or automotive equipment, whether such auto is owned, hired, and non-owned. Tenant shall maintain insurance with a combined single limit for bodily injury and property damage of not less than the equivalent of $1,000,000 per accident. Limits can be satisfied through the maintenance of a combination of primary and umbrella policies. Such insurance shall cover Tenant against claims for bodily injury, including death resulting therefrom, and damage to the property of others caused by accident regardless of whether such operations are performed by Tenant, Tenant's agents, or by any one directly or indirectly employed by any of them. Tenant's automobile liability insurance shall be endorsed to add Landlord, Landlord's property management company, and Invesco as additional insureds.

(c) Commercial Property Insurance covering at full replacement cost value the following property in the Premises: (A) inventory; (B) FF&E (unattached furniture, fixtures, and equipment); (C) alterations, improvements and betterments made by the Tenant including but not necessarily limited to all permanently attached fixtures and equipment; and (D) any other property in which the Tenant retains the risk of loss including electronic data processing equipment, employee personal property or other property owned or leased by Tenant. Such property insurance shall include: (1) coverage against such perils as are commonly included in

the special causes of loss form, with no exclusions for wind and hail, vandalism and malicious mischief, and endorsed to add the perils of terrorism; (2) business income coverage providing for the full recovery of loss of rents and continuing expenses on an actual loss sustained basis for a period of not less than 12 months; (3) an "agreed amount" endorsement waiving any coinsurance requirements; and (4) a loss payable endorsement providing that Tenant, Landlord, and Landlord's mortgagee shall be a loss payee on the policy with regard to the loss of rents coverage. "Full replacement value," as used herein, means the cost of repairing, replacing, or reinstating, including demolishing, any item of property, with materials of like kind and quality in compliance with, (and without, an exclusion pertaining to application of), any law or building ordinance regulating repair or construction at the time of loss and without deduction for physical, accounting, or any other depreciation, in an amount sufficient to meet the requirements of any applicable co-insurance clause and to prevent Tenant from being a co-insurer.

(d) Builders' Risk Insurance on an "all risk" form that does not exclude the perils of flood, earthquake, and terrorism covering on a completed value basis all work incorporated in the Building and all materials and equipment in or about the Premises in connection with construction activities where Tenant notifies Landlord of its intent to undertake a substantial rebuild of the existing structure and Landlord determines that such coverage is necessary. Limits and terms to coverage are to be determined by Landlord upon notification by Tenant.

(e) Workers Compensation Insurance covering statutory benefits in the state where the Premises is located. This policy shall include "other states" insurance, so as to include all states not named on the declarations page of the insurance policy, except for the monopolistic states. Tenant is required to carry this insurance regardless of eligibility for waiver or exemption of coverage under any applicable state statute. Such insurance shall include an employers liability coverage part with limits that shall be not less than $1,000,000 each accident for bodily injury by accident and $1,000,000 each employee and policy limit for bodily injury by disease.

(f) Such other insurance or any changes or endorsements to the insurance required herein, including increased limits of coverage, as Landlord, or any mortgagee or lessor of Landlord, may reasonably require from time to time.

Tenant's commercial general liability insurance, automobile liability insurance and, all other insurance policies, where such policies permit coverage for Landlord as an additional insured, shall provide primary coverage to Landlord and shall not require contribution by any insurance maintained by Landlord, when any policy issued to Landlord provides duplicate or similar coverage, and in such circumstance Landlord's policy will be excess over Tenant's policy. Tenant shall furnish to Landlord certificates of such insurance, and where applicable with an additional insured endorsement in form CG 20 26 1185 (or other equivalent form approved in writing by Landlord), and such other evidence satisfactory to Landlord of the maintenance of all insurance coverages required hereunder at least ten (10) days prior to the earlier of the Commencement Date or the date Tenant enters or occupies the Premises, and at least fifteen (15) days prior to each renewal of said insurance, and Tenant shall obtain a written obligation on the part of each insurance company to notify Landlord at least thirty (30) days before cancellation, non-renewal or a material change of any such insurance policies. All such insurance policies shall be in form, and issued by companies licensed to do business in the state where the Premises is located, rated by AM Best as having a financial strength rating of "A-" or

better and a financial size category of "IX" or greater, or otherwise reasonably satisfactory to Landlord. If Tenant fails to comply with the foregoing insurance requirements or to deliver to Landlord the certificates or evidence of coverage required herein, Landlord, in addition to any other remedy available pursuant to this Lease or otherwise, may, but shall not be obligated to, obtain such insurance and Tenant shall pay to Landlord on demand the premium costs thereof, plus an administrative fee of fifteen percent (15%) of such cost. It is expressly understood and agreed that the foregoing minimum limits of liability and coverages required of Tenant's insurance shall not reduce or limit the obligation of the Tenant to indemnify the Landlord as provided in this Lease. All policies required herein shall use occurrence based forms. Any and all of the premiums, deductibles and self-insured retentions associated with the policies providing the insurance coverage required herein shall be assumed by, for the account of, and at the sole risk of Tenant. Deductibles or self-insured retentions may not exceed $10,000 without the prior written approval of Landlord.

20.2 Landlord's Insurance. Throughout the Lease Term, Landlord shall maintain, as a minimum, the following insurance policies: (1) property insurance for the Building's replacement value (excluding property required to be insured by Tenant, it being agreed that Landlord shall have no obligation to provide insurance for such property), less a commercially-reasonable deductible if Landlord so chooses; and (2) commercial general liability insurance in an amount of not less than $3,000,000 per occurrence for bodily injury and property damage, $3,000,000 each person or organization for personal and advertising injury, $3,000,000 general aggregate, and $3,000,000 products and completed operations aggregate. Limits can be satisfied through the maintenance of a combination of primary and umbrella policies. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary. Tenant shall pay Tenant's Share of the cost of all insurance carried by Landlord with respect to the Project. The foregoing insurance policies and any other insurance carried by Landlord shall be for the sole benefit of Landlord and under Landlord's sole control, and Tenant shall have no right or claim to any proceeds thereof or any other rights thereunder.

ARTICLE 21. DAMAGE AND DESTRUCTION OF PREMISES

21.1 If the Premises or the Building are damaged by fire or other casualty (a "Casualty"), Landlord shall use good faith efforts to deliver to Tenant within sixty (60) days after such Casualty a good faith estimate (the "Damage Notice") of the time needed to repair the damage caused by such Casualty.

21.2 If a material portion of the Premises is damaged by Casualty such that Tenant is prevented from conducting its business in the Premises in a manner reasonably comparable to that conducted immediately before such Casualty and Landlord estimates that the damage caused thereby cannot be repaired within one hundred eighty (180) days after the commencement of repairs (the "Repair Period"), then Tenant may Terminate this Lease by delivering written notice to Landlord of its election to terminate within thirty (30) days after the Damage Notice has been delivered to Tenant; provided however, the foregoing 180-day replacement period shall be reduced to 90 days during the last two (2) years of the Term.

21.3 If a Casualty damages the Premises or a material portion of the Building and: (1) Landlord estimates that the damage to the Premises cannot be repaired within the Repair

Period; (2) the damage to the Premises exceeds fifty percent (50%) of the replacement cost thereof (excluding foundations and footings), as estimated by Landlord, and such damage occurs during the last two (2) years of the Term; (3) regardless of the extent of damage to the Premises, Landlord makes a good faith determination that restoring the Building would be uneconomical; or (4) Landlord is required to pay any insurance proceeds arising out of the Casualty to a Landlord's mortgagee, then Landlord may terminate this Lease by giving written notice of its election to terminate within thirty (30) days after the Damage Notice has been delivered to Tenant.

21.4 If neither party elects to terminate this Lease following a Casualty, then Landlord shall, within a reasonable time after such Casualty, begin to repair the Premises and shall proceed with reasonable diligence to restore the Premises to substantially the same condition as they existed immediately before such Casualty; however, other than building standard leasehold improvements Landlord shall not be required to repair or replace any Alterations or betterments within the Premises (which shall be promptly and with due diligence repaired and restored by Tenant at Tenant's sole cost and expense) or any furniture, equipment, trade fixtures or personal property of Tenant or others in the Premises or the Building, and Landlord's obligation to repair or restore the Premises shall be limited to the extent of the insurance proceeds actually received by Landlord for the Casualty in question. If this Lease is terminated under the provisions of this Article 21 Landlord shall be entitled to the full proceeds of the insurance policies providing coverage for all alterations, improvements and betterments in the Premises (and, if Tenant has failed to maintain insurance on such items as required by this Lease, Tenant shall pay Landlord an amount equal to the proceeds Landlord would have received had Tenant maintained insurance on such items as required by this Lease).

21.5 If the Premises are damaged by Casualty, Rent for the portion of the Premises rendered untenantable by the damage shall be abated on a reasonable basis from the date of damage until the substantial completion of Landlord's repairs (or until the date of termination of this Lease by Landlord or Tenant as provided above, as the case may be), unless Tenant or a Tenant Permittee caused such damage, in which case, Tenant shall continue to pay Minimum Monthly Rent and all other rent without abatement and Tenant shall be liable to Landlord for the cost and expense of the repair and restoration of the Premises or the Building caused thereby to the extent that costs and expense is not covered by insurance proceeds.

ARTICLE 22. EMINENT DOMAIN

22.1 If the entire Building or Premises are taken by right of eminent domain or conveyed in lieu thereof (a "Taking"), this Lease shall terminate as of the date of the Taking.

22.2 If any part of the Building becomes subject to a Taking and such Taking will prevent Tenant from conducting its business in the Premises in a manner reasonably comparable to that conducted immediately before such Taking for a period of more than one hundred eighty (180) days, then Tenant may terminate this Lease as of the date of such Taking by giving written notice to Landlord within thirty (30) days after the Taking, and Rent shall be apportioned as of the date of such Taking. If Tenant does not terminate this Lease, then Rent shall be abated on a reasonable basis as to that portion of the Premises rendered untenantable by the Taking.

22.3 If any material portion, but less than all, of the Building becomes subject to a Taking, or if Landlord is required to pay any of the proceeds arising from a Taking to a Landlord's mortgagee, then Landlord may terminate this Lease by delivering written notice thereof to Tenant within thirty (30) days after such Taking, and Rent shall be apportioned as of the date of such Taking. If Landlord does not so terminate this Lease, then this Lease will continue, but if any portion of the Premises has been taken, Rent shall abate as provided in Section 21.5.

22.4 If any Taking occurs, then Landlord shall receive the entire award or other compensation for the Land, the Building, and other improvements taken; however, Tenant may separately pursue a claim (to the extent it will not reduce Landlord's award) against the condemnor for the value of Tenant's personal property which Tenant is entitled to remove under this Lease, moving costs, loss of business, and other claims it may have.

ARTICLE 23. ASSIGNMENT AND SUBLETTING

Tenant agrees not to assign, mortgage, or pledge this Lease, and shall not sublet the Premises without Landlord's prior written consent, which shall not be unreasonably withheld if Landlord does not elect to terminate this Lease as provided herein. Without limitation, it is agreed that Landlord's consent shall not be considered unreasonably withheld if: (1) the proposed transferee's financial condition does not meet the criteria Landlord uses to select Building tenants having similar leasehold obligations; (2) the proposed transferee's use is not suitable for the Building considering the business of the other tenants and the Building's prestige, or would result in a violation of another tenant's rights; (3) the proposed transferee 1s a governmental agency or occupant of the Project; (4) Tenant is in default after the expiration of the notice and cure periods in this Lease; (5) any portion of the Premises or Building would likely become subject to additional or different laws as a consequence of the proposed assignment or subletting or (6) the proposed use or operation in the Premises of the proposed assignee or subtenant may or will cause the Building or any part thereof not to conform with the environmental and green building clauses in this Lease. Tenant shall not be entitled to receive any monetary damages based upon a claim that Landlord unreasonably withheld its consent to a proposed sublease or assignment and Tenant's sole remedy shall be an action to enforce any provision through specific performance or declaratory judgment. Any attempted sublease or assignment in violation of this Article shall, at Landlord's option, be void. Any assignment or subletting hereunder shall not release or discharge Tenant of or from any liability under this Lease, and Tenant shall continue to be fully liable thereunder. As part of its request for Landlord's consent to a sublease or assignment, Tenant shall provide Landlord with financial statements for the proposed transferee, a complete copy of the proposed sublease, assignment and other contractual documents and such other information as Landlord may reasonably request. Landlord shall, by written notice to Tenant within twenty (20) days of its receipt of the required information and documentation, either: (1) consent to the sublease or assignment by the execution of a consent agreement in a form reasonably designated by Landlord or reasonably refuse to consent to the sublease or assignment in writing; or (2) if such request to assign or sublease covers forty percent (40%) or more of the Premises, exercise its right to terminate this Lease with respect to the portion of the Premises that Tenant is proposing to sublease or assign. If Landlord does exercise the recapture right set forth herein, Tenant shall have three (3) business days to rescind its request for sublease or assignment and, provided such rescission is timely made, Landlord shall not have the right to recapture the portion of the Premises that had been the

subject of such request. Provided Tenant does not timely rescind its request for sublease or assignment, any such Termination shall be effective on the proposed effective date the sublease or assignment for which Tenant requested consent. If Tenant shall assign or sublet this Lease or request the consent of Landlord to any assignment or subletting or if Tenant shall request the consent of Landlord for any act Tenant proposes to do, then Tenant shall pay Landlord's reasonable out-of-pocket costs and expenses incurred in connection therewith, including attorneys', architects', engineers' or other consultants' fees, which fee shall be no more than $3000.00. Consent by Landlord to one assignment, subletting, occupation, or use by another person shall not be deemed to be consent to any subsequent assignment, subletting, occupation, or use by another person. Tenant shall pay fifty percent (50%) of all rent and other payments which Tenant receives as a result of a sublease or assignment that is excess of the Rent payable to Landlord for the portion of the Premises and Lease Term covered by the sublease or assignment. Tenant shall pay Landlord for Landlord's share of any excess within thirty (30) days after Tenant's receipt of such excess consideration. Tenant may deduct from the excess all reasonable and customary expenses directly incurred by Tenant attributable to the sublease or assignment (other than Landlord's costs and expenses), including brokerage fees, legal fees and construction costs. Notwithstanding the foregoing, Tenant may assign or sublease the Premises without Landlord's approval (a) to an affiliate or Tenant or (b) in connection with the sale or transfer of the business or assets to which this Lease relates (whether by merger, consolidation, stock sale, asset sale or otherwise) so long as such assignee or transferee has a tangible net worth of at least equal to the tangible net worth of Tenant either immediately before such transfer or as of the date of this Lease, whichever is greater; provided however that Tenant must provide Landlord with notice of such assignment or sublease pursuant to the foregoing clause (a) or clause (b) within ten (10) days after such action is taken.

ARTICLE 24. SALE OF PREMISES BY LANDLORD

In the event of any sale of the Building or the property upon which the Building is located or any assignment of this Lease by Landlord (or a successor in title), the assignee or purchaser shall be deemed, without any further agreement between the parties, to have assumed and agreed to carry out any and all of the covenants and obligations of Landlord under this Lease, and shall be substituted as Landlord for all purposes from and after the sale or assignment: and Landlord (or such successor) shall automatically be entirely freed and relieved of all liability under any and all of Landlord's covenants and obligations contained in this Lease or arising out of any act, occurrence, or omission occurring after such sale or assignment.

ARTICLE 25. SUBORDINATION/ATIORNMENT/MODIFICATION/ASSIGNMENT

Tenant's interest under this Lease is subordinate to all terms of and all liens and interests arising under any ground lease, deed of trust, or mortgage (each, as renewed, modified and/or extended from time to time) now or hereafter placed on the Landlord's interest in the Premises, the Building, or the Project. Tenant consents to an assignment of Landlord's interest in this Lease to Landlord's lender as required under such financing. If the Premises or the Building is sold as a result of a default under the mortgage, or pursuant to a transfer in lieu of foreclosure, Tenant shall, at the mortgagee's, purchaser's or ground lessor's sole election, attorn to the mortgagee or purchaser. This Article is self-operative. However, Tenant agrees to execute and deliver, if Landlord, any deed of trust holder, mortgagee, or purchaser should so request, such

further instruments necessary to subordinate this Lease to a lien of any mortgage or deed of trust, to acknowledge the consent to assignment and to affirm the attornment provisions set forth herein.

ARTICLE 26. LANDLORD'S DEFAULT AND RIGHT TO CURE

Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord and to the holder of any first mortgage or deed of trust covering the Premises whose name and address shall have theretofore been furnished to Tenant in writing, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently pursues the same to completion.

ARTICLE 27. ESTOPPEL CERTIFICATES

Tenant agrees at any time and from time to time upon request by Landlord, to execute, acknowledge, and deliver to Landlord, within ten (10) calendar days after demand by Landlord, a statement in writing certifying (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating such modifications), (b) the dates to which the Minimum Monthly Rent and other rent and charges have been paid in advance, if any, (c) Tenant's acceptance and possession of the Premises, (d) the commencement of the Lease Term, (e) the rent provided under this Lease, (f) that Landlord is not in default under this Lease (or if Tenant claims such default, the nature thereof), (g) that Tenant claims no offsets against the rent, and (h) such other information as may be requested with respect to the provisions of this Lease or the tenancy created by this Lease. Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in Landlord's performance, and (iii) that not more than one month's rent has been paid in advance.

ARTICLE 28. TENANT'S DEFAULT AND LANDLORD' S REMEDIES

28.1 Tenant will be in default under this Lease if any of the following occurs, and same shall be deemed an "Event of Default":

(a) If Tenant fails to pay the Minimum Monthly Rent or make any other payment required by this Lease within three (3) Business Days after Landlord sends Tenant a written notice or demand for payment.

(b) If on two or more occasions in any twelve month period Landlord does not receive either Tenant's regular monthly payment of Minimum Monthly Rent and other regularly recurring charges on or before the first Business Day of the month or any other payment on or before the date it is due.

(c) If Tenant assigns this Lease or mortgages its interest in this Lease or sublets any part of the Premises without first obtaining Landlord's written consent, as required by Article 23.

(d) If Tenant abandons the Premises, or ceases to operate its business on the Premises, or becomes bankrupt or insolvent, or makes any general assignment of all or a substantial part of its property for the benefit of creditors, or if a receiver is appointed to operate Tenant's business or to take possession of all or a substantial part of Tenant's property.

(e) If a lien attaches to this Lease or to Tenant's interest in the Premises, and Tenant fails to post a bond or other security or to have the lien released within ten (10) days of its notification thereof, or if a mortgagee institutes proceedings to foreclose its mortgage against Tenant's leasehold interest or other property and Tenant fails to have the foreclosure proceedings dismissed within ten (10) calendar days after the entry of any judgment or order declaring the mortgage to be valid and Tenant to be in default on the obligation secured thereby, or directing enforcement of the mortgage.

(f) If Tenant fails to maintain any of the insurance as required by this Lease within three (3) days after Landlord sends it written notice of the breach.

(g) If Tenant breaches any other provision of this Lease and fails to cure the breach within fifteen (15) days after Landlord sends it written notice of the breach, or if the breach cannot be cured within fifteen (15) days, then if Tenant does not proceed with reasonable diligence to cure the breach within such additional time as may be reasonably necessary under the circumstances, not to exceed sixty (60) days.

28.2 If Tenant is in default, then Landlord may take any one or more of the following actions:

(a) Terminate this Lease by giving Tenant written notice thereof or by making entry thereon for the express purpose of terminating this Lease, and upon the delivery of such notice or the making of such entry this Lease shall terminate.

(b) Landlord may re-enter and take possession of all or any part of the Premises without committing a trespass or becoming liable for any loss or damage that may be occasioned thereby. Except if expressly intended by Landlord as described in Section 28.2(a), re entry and possession of the Premises will not by themselves terminate this Lease.

(c) If Landlord shall have taken possession of the Premises, Landlord may remove any property, including fixtures, from the Premises and store the same at Tenant's expense in a warehouse or any other location, or Landlord may lease the property on the Premises pending sale or other disposition. If Landlord leaves the property on the Premises or stores it at another location owned or controlled by Landlord, then Landlord may charge Tenant a reasonable fee for storing and handling the property comparable to what Landlord would have had to pay to a third party for such services. Landlord will not be liable under any circumstance to Tenant or to anyone else for any damage to the property. Landlord may proceed to sell Tenant's property, which shall be sold in accordance with the laws of the state ll1which the Premises are located.

(d) Landlord may collect any rents or other payments that become due from any subtenant, concessionaire or licensee, and may in its own name or in Tenant's name bring suit for such amounts, and settle any claims therefore, without approving the Terms of the sublease or Tenant's agreement with the concessionaire or licensee and without prejudice to Landlord's

right to Terminate the sublease or agreement without cause and remove the subtenant, concessionaire or licensee from the Premises.

(e) If the Lease shall be Terminated due to Tenant's default, Landlord shall use commercially reasonable efforts to relet the Premises but may relet the Premises at whatever rent and on whatever Terms and conditions it deems advisable. The Term of any new lease may be shorter or longer than the remaining Term of this Lease. In reletting the Premises, Landlord may make any alterations or repairs to the Premises it feels necessary or desirable; may subdivide the Premises into more than one unit and lease each portion separately; may sell Tenant's improvements, fixtures and other property located on the Premises to the new tenant, or include such improvements, fixtures and property as part of the Premises without additional cost; may advertise the Premises for sale or lease; and may hire brokers or other agents. Tenant will be liable to Landlord for all costs and expenses of the reletting including but not limited to rental concessions to the new tenant, broker's commissions and tenant improvements, and will remain liable for the Minimum Monthly Rent and all other charges arising under this Lease, less any income received from the new tenant, unless this Lease is Terminated as set forth below. In the event an existing tenant of the project is moved into the Premises, Tenant will be liable for the damages suffered by Landlord (as calculated herein) as the result of the vacancy of the premises occupied by the existing tenant.

(f) Landlord may recover from Tenant all costs and expenses Landlord incurs as a direct or indirect consequence of Tenant's breach, including the cost of storing and selling Tenant's property, reletting the Premises, and bringing suit against Tenant for possession or damages. If Landlord made or paid for any improvements to the Premises, or granted Tenant any improvement allowance or credit against the Minimum Monthly Rent or other charges due hereunder for Tenant's improvements, then Landlord shall also be entitled to recover the unamortized portion of the cost of such improvements or the amount of such allowance or credit, determined by multiplying the total amount of such cost or allowance or credit by a fraction, the denominator of which is the total number of months of the initial Lease Term and the numerator of which is the number of months of the Lease Term remaining at the time of Tenant's default. Also, if this Lease provides for any months for which no Minimum Monthly Rent or a reduced Minimum Monthly Rent is payable, or for any other rent concession to Tenant, then, upon default, Tenant shall become liable for the full amount of the Minimum Monthly Rent (or other rent concession), plus applicable taxes, for such months, and Landlord shall be entitled to recover as additional rent the amount that would have been payable by Tenant for such months if the Minimum Monthly Rent provided for herein had been payable by Tenant throughout the entire Lease Term. If Landlord does Terminate this Lease, then Tenant will remain liable for all sums accrued under this Lease to the date of termination, as well as for all costs and expenses incurred by Landlord and any other damages sustained by Landlord as a consequence of Tenant's breach. Also Landlord may elect to recover from Tenant the difference between the present value at the date of termination of the Minimum Monthly Rent and other charges that were to have been due under this Lease from such termination date to the end of the Lease Term and the present value as of such termination date of the Minimum Monthly Rent and other charges Landlord could have obtained if Landlord had rented the Premises for the same period at its fair rental value. The present value of the amounts referred to in the preceding sentence shall be computed using a discount rate equal to the prime rate charged by Wells Fargo Bank (or its successor) at the date of termination. Tenant shall be liable to Landlord for any difference

between the Minimum Monthly Rent and other charges called for by this Lease and the rent and other charges collected by Landlord from any new tenant. For any month in which Landlord collects less from a successor tenant than is payable under this Lease, Landlord may demand that Tenant immediately make up the difference, and Landlord may bring suit against Tenant if Tenant fails to do so, provided that Landlord shall give Tenant credit for any sums collected by Landlord, if any, from Tenant under the fourth sentence of this paragraph.

(g) Landlord may sue Tenant for possession of the Premises, for damages for breach of this Lease, and for other appropriate relief, either in the same or in separate actions. Landlord may recover all costs and expenses it incurs in any such suit, including reasonable attorneys' fees.

(h) Landlord may exercise any other right or remedy available at law or in equity for breach of contract, damages or other appropriate relief. The rights and remedies described herein are cumulative, and Landlord's exercise of any one right will not preclude the simultaneous exercise of any other right or remedy.

28.3 [INTENTIONALLY OMITTED]

28.4 If Tenant is in arrears in payment of Rent, Tenant waives its right, if any, to designate the items to which any payments made by Tenant are to be credited, and Landlord may apply any payments made by Tenant to such items as Landlord sees fit, irrespective of any designation or request by Tenant as to the items to which any such payments shall be credited.

28.5 Tenant shall not interpose any counterclaim (other than a compulsory counterclaim) in any summary proceeding commenced by Landlord to recover possession of the Premises and shall not seek to consolidate such proceeding with any action which may have been or will be brought by Tenant or any other person or entity.

ARTICLE 29. TENANT'S RECOURSE

THE LIABILITY OF LANDLORD (AND ITS PARTNERS, SHAREHOLDERS OR MEMBERS) TO TENANT (OR ANY PERSON OR ENTITY CLAIMING BY, THROUGH OR UNDER TENANT) FOR ANY DEFAULT BY LANDLORD UNDER THE TERMS OF THIS LEASE OR ANY MATTER RELATING TO OR ARISING OUT OF THE OCCUPANCY OR USE OF THE PREMISES AND/OR OTHER AREAS OF THE BUILDIN'G OR PROJECT SHALL BE LIMITED TO TENANT'S ACTUAL DIRECT, BUT NOT CONSEQUENTIAL (OR OTHER SPECULATIVE), DAMAGES THEREFOR AND SHALL BE RECOVERABLE ONLY FROM THE INTEREST OF LANDWRD IN' TIIE BUILDING, AND LANDLORD (AND ITS PARTNERS, SHAREHOLDERS OR MEMBERS) SHALL NOT BE PERSONALLY LIABLE FOR ANY DEFICIENCY. ADDITIONALLY, TO THE EXTENT ALLOWED BY LAW, TENANT HEREBY WAIVES ANY STATUTORY LIEN IT MAY HAVE AGAINST LANDWRD OR ITS ASSETS, INCLUDING WITHOUT LIMITATION, THE BUILDING.

ARTICLE 30. HOLDING OVER

If Tenant holds over after the expiration of the Lease Term, (i) Tenant shall be a tenant at sufferance, the Minimum Monthly Rent shall be increased to 150% of the then current lease rate at the Building or the Tenant's lease rate at the time this Lease expired, whichever is higher, plus any amounts due under Article 5, which shall be payable in advance on the first day of such holdover period and on the first day of each month thereafter, and (ii) Tenant shall also be liable for any damages that Landlord incurs as a result of such holdover. Notwithstanding the prior sentence, Landlord shall not be prevented from instituting eviction proceedings against Tenant in the event of such holdover.

ARTICLE 31. GENERAL PROVISIONS

31.1 This Lease is construed in accordance with the laws of the State.

31.2 If Tenant is composed of more than one person or entity, then the obligations of such entities or parties are joint and several.

31.3 If any term, condition, covenant, or provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the terms, conditions, covenants, and provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

31.4 The various headings and numbers herein and the grouping of the provisions of this Lease into separate articles and sections are for the purpose of convenience only and are not be considered a part hereof.

31.5 Time is of the essence of this Lease.

31.6 Other than for Tenant's obligations under this Lease that can be performed by the payment of money (e.g., payment of Rent and maintenance of insurance, and Tenant's obligations pursuant to Exhibit D attached hereto), whenever a period of time is herein prescribed for action to be taken by either party hereto, such party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war (declared or undeclared), acts of terrorism, governmental laws, regulations, or restrictions, or any other causes of any kind whatsoever which are beyond the control of such party.

31.7 In the event either party initiates legal proceedings or retains an attorney to enforce any right or obligation under this Lease or to obtain relief for the breach of any covenant hereof, the party ultimately prevailing in such proceedings or the non-defaulting party shall be entitled to recover all costs and reasonable attorneys' fees.

31.8 This Lease, and any Exhibit or Addendum attached hereto, sets forth all the Terms, conditions, covenants, provisions, promises, agreements, and undertakings, either oral or written, between the Landlord and Tenant. No subsequent alteration, amendment, change, or addition to this Lease is binding upon Landlord or Tenant unless reduced to writing and signed by both parties.

31.9 Subject to Article 23 the covenants herein contained shall apply to and bind the heirs, successors, executors, personal representatives, legal representatives, administrators, and assigns of all the parties hereto.

31.10 No term, condition, covenant, or provision of this Lease shall be waived except by written waiver of Landlord, and the forbearance or indulgence by Landlord in any regard whatsoever shall not constitute a waiver of the Term, condition, covenant, or provision to be performed by Tenant to which the same shall apply, and until complete performance by Tenant of such term, condition, covenant, or provision, Landlord shall be entitled to invoke any remedy available under this Lease or by law despite such forbearance or indulgence. The waiver by Landlord of any breach or Term, condition, covenant, or provision hereof shall apply to and be limited to the specific instance involved and shall not be deemed to apply to any other instance or to any subsequent breach of the same or any other Term, condition, covenant, or provision hereof. Acceptance of rent by Landlord during a period in which Tenant is in default in any respect other than payment of rent shall not be deemed a waiver of the other default. Any payment made in arrears shall be credited to the oldest amount outstanding and no contrary application will waive this right.

31.11 The use of a singular Term in this Lease shall include the plural and the use of the masculine, feminine, or neuter genders shall include all others.

31.12 Landlord's submission of a copy of this Lease form to any person, including Tenant, shall not be deemed to be an offer to lease or the creation of a lease unless and until this Lease has been fully signed and delivered by Landlord.

31.13 Every term, condition, covenant, and provision of this Lease, having been negotiated in detail and at arm's length by both parties, shall be construed simply according to its fair meaning and not strictly for or against Landlord or Tenant.

31.14 If the time for the performance of any obligation under this Lease expires on a Saturday, Sunday, or legal holiday, the time for performance shall be extended to the next succeeding day which is not a Saturday, Sunday, or legal holiday.

31.15 If requested by Landlord, Tenant shall execute written documentation with signatures acknowledged by a notary public, to evidence when and if Landlord or Tenant has met certain obligations under this Lease.

31.16 Within fifteen (15) days after Landlord's request, Tenant will furnish Tenant's most recent audited financial statements (including any notes to them) to Landlord, or, if no such audited statements have been prepared, such other financial statements (and notes to them) as may have been prepared by an independent certified public accountant or, failing those, Tenant's internally prepared financial statements.

31.17 Tenant represents and warrants as follows:

(i) Tenant represents and warrants to, and covenants with, Landlord that neither Tenant nor any of its respective constituent owners or affiliates currently are, or shall be at any time during the Term hereof, in violation of any laws relating to terrorism or money

laundering (collectively, the "Anti-Terrorism Laws"), including without limitation Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the "Executive Order") and/or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56) (the "USA Patriot Act").

(ii) Tenant covenants with Landlord that neither Tenant nor any of its respective constituent owners or affiliates is or shall be during the Term hereof a "Prohibited Person,'' which is defined as follows: (A) a person or entity that is listed in the Annex to, or is otherwise subject to, the provisions of the Executive Order; (B) a person or entity owned or controlled by, or acting for or on behalf of, any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (C) a person or entity with whom Landlord is prohibited from dealing with or otherwise engaging in any transaction by any AntiTerrorism Law, including without limitation the Executive Order and the USA Patriot Act; (D) a person or entity who commits, threatens or conspires to commit or support "terrorism" as defined in Section 3(d) of the Executive Order; (E) a person or entity that is named as a "specially designated national and blocked person" on the then-most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, http://www.treas.gov/offices/eotffc/ofac/sdn/tllsdn.pdf, or at any replacement website or other replacement official publication of such list; or (F) a person or entity who is affiliated with a person or entity listed in items (A) through (E), above.

(iii) At any time and from time-to-time during the Term, Tenant shall deliver to Landlord, within ten (10) days after receipt of a written request therefor, a written certification or such other evidence reasonably acceptable to Landlord evidencing and confirming Tenant's compliance with this Section 31.17.

ARTICLE 32. NOTICES

Wherever in this Lease it is required or permitted that notice or demand be given or served by either party to or on the other, such notice or demand shall be in writing and shall be given or served and shall not be deemed to have been duly given or served unless (a) in writing; (b) either (1) delivered personally, (2) deposited with the United States Postal Service, as registered or certified mail, return receipt requested, bearing adequate postage, or (3) sent by overnight express courier (including, without limitation, Federal Express, DHL Worldwide Express, Airborne Express, United States Postal Service Express Mail) with a request that the addressee sign a receipt evidencing delivery; and (c) addressed to the party at its address in Section 1.1. Either party may change such address by written notice to the other. Service of any notice or demand shall be deemed completed forty-eight (48) hours after deposit thereof, if deposited with the United States Postal Service, or upon receipt if delivered by overnight courier or in person.

ARTICLE 33. BROKER'S COMMISSIONS

Tenant represents and warrants that there are no claims for brokerage commissions or finder's fees in connection with this Lease (excepting commissions or fees due to Newmark

Grubb Knight Frank and Lincoln Property Company in connection with this Lease pursuant to separate agreements approved or authorized in writing by Landlord). Tenant shall indemnify, defend and hold Landlord harmless for, from and against all costs, expenses, attorneys' fees, liens and other liability for commissions or other compensation claimed by any broker or agent claiming the same by, through or under Tenant. The foregoing indemnity shall survive the expiration or earlier termination of this Lease.

ARTICLE 34. INDEMNIFICATION/WAIVER OF SUBROGATION

34.1 Waiver of Subrogation. Notwithstanding anything to the contrary herein, to the extent permitted by law and without affecting the coverage provided by insurance required to be maintained hereunder, Landlord and Tenant shall each agree to waive any right to recover against the other party (and the other party's agents, officers, directors and employees) on account of any and all claims it may have against the other party (and the other party's agents, officers, directors and employees) with respect to the insurance actually maintained, or required to be maintained hereunder, under subparagraphs 20.1 (a) through (f) inclusive, and to the extent proceeds are realized from such insurance coverage that are applied to such claims. Each policy described in this Lease shall contain a waiver of subrogation endorsement that provides that the waiver of any right to recovery shall not invalidate the policy in any way.

34.2 Indemnity. Subject to Section 34.1 Tenant shall indemnify, defend and hold harmless Landlord and its property manager, Invesco, any subsidiary or affiliate of the foregoing, and their respective officers, directors, shareholders, partners, employees, managers, contractors, attorneys and agents from and against all claims, demands, liabilities, causes of action, suits, judgments, damages, and expenses (including attorneys' fees) and all losses and damages (collectively, the "Claims") arising from: (1) any injury to or death of any person or the damage to or theft, destruction, loss, or loss of use of any property or inconvenience (a "Loss") arising from any occurrence in the Premises, the use of the Common Areas by any Tenant Permittee, or the installation, operation, maintenance, repair or removal of any of Tenant's Off-Premises Equipment; or (2) Tenant's failure to perform its obligations under this Lease, The indemnities set forth in this Section 34.2 shall survive termination or expiration of this Lease and shall not Terminate or be waived, diminished or affected in any manner by any abatement or apportionment of Minimum Monthly Rent under any provision of this Lease. If any proceeding is filed for which indemnity is required hereunder, Tenant agrees, upon request therefor, to defend Landlord in such proceeding at its sole cost utilizing counsel satisfactory to Landlord in its sole discretion. The term "Tenant's Off-Premises Equipment" means any of Tenant's equipment or other property that may be located on or about the Project (other than inside the Premises).

ARTICLE 35. WAIVER OF TRIAL BY JURY

LANDLORD AND TENANT WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, OR RELATED TO, THE SUBJECT MATTER OF THIS LEASE OR THE USE AND OCCUPANCY OF THE PREMISES. THIS WAIYER IS KNOWINGLY, INTENTIONALLY AND VOLUNTARILY MADE BY TENANT, AND TENANT ACKNOWLEDGES THAT NEITHER LANDLORD OR ANY PERSON ACTING ON BEHALF OF LANDLORD HAS MADE ANY REPRESENTATIONS OF FACT TO

INDUCE THIS WAIYER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. TENANT FURTHER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED (OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED) IN THE SIGNING OF THIS LEASE AND IN THE MAKING OF THIS WANER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT TENANT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIYER WITII COUNSEL. TENANT FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION, AS EVIDENCED BY ITS SIGNATURE BELOW.

[Signature page follows]

IN WITNESS WHEREOF, the parties have duly executed this Lease of as the day and year first above written.

LANDLORD

55 CAMBRIDGE PARKWAY, LLC
a Delaware limited liability company

By: Invesco ICRE Massachusetts REIT Holdings, LLC, Its sole member

By: /s/ Perry Chudnoff
Name: Perry Chudnoff
Title: Vice President

Execution Date: 5/30/17

TENANT

KALVISTA PHARMACEUTICALS, INC.
a Delaware corporation

By: /s/ Ben Palleiko
Name: Ben Palleiko
Title: CFO

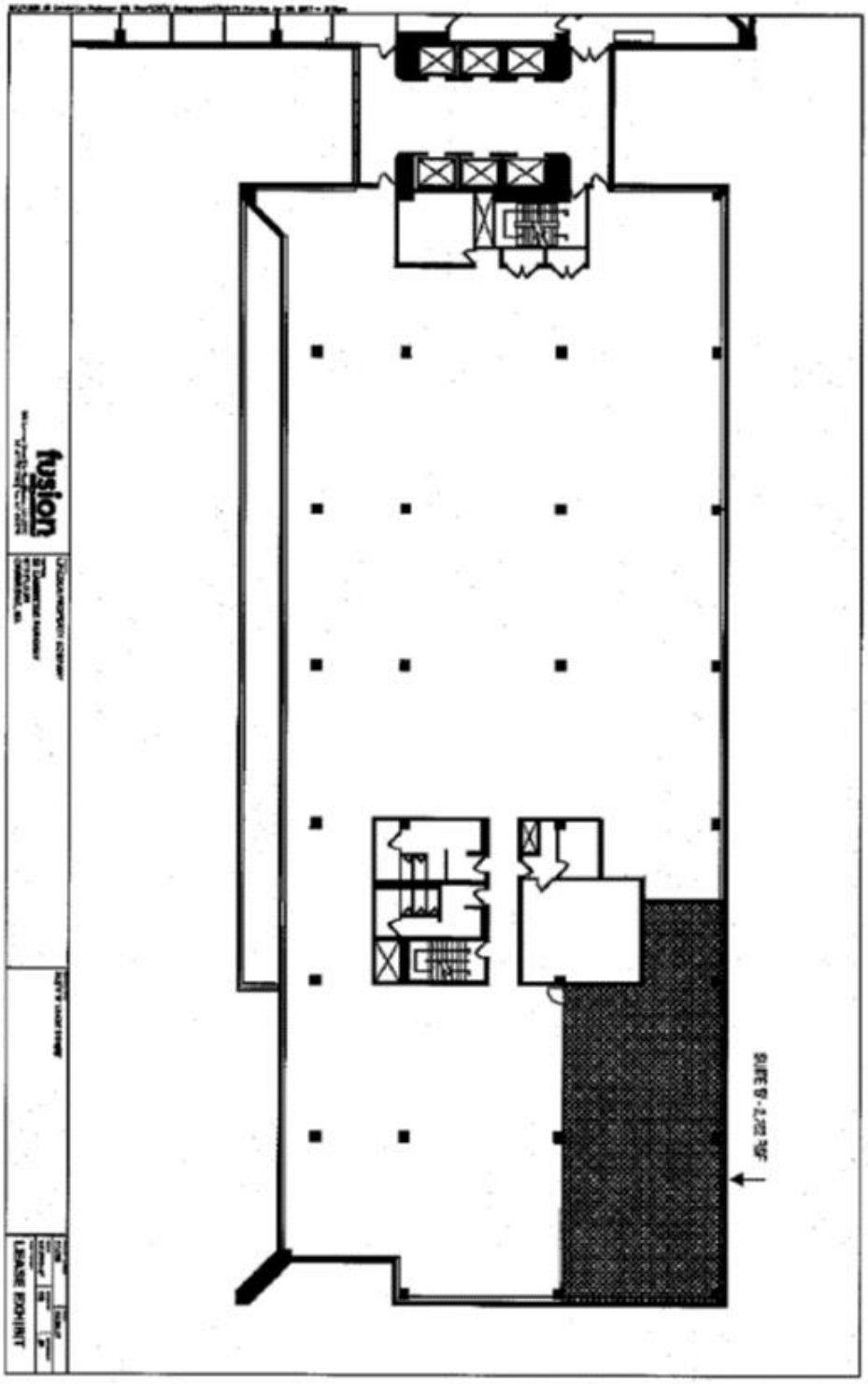
Execution Date: 5/26/17

EXHIBIT "A"

PREMISES

Exhibit "A" is intended only to show the general outline of the Premises as of the beginning of the Lease Term. It does not in any way supersede any of Landlord's rights set forth in the Lease with respect to arrangements and/or locations of public parts of the Building and changes in such arrangements and/or locations. It is not to be scaled; any measurements or distances shown should be taken as approximate. The inclusion of elevators, stairways electrical and mechanical closets, and other similar facilities for the benefit of occupants of the Building does not mean such items are part of the Premises.

[See Attached Plan]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LEASE PLAN

EXHIBIT "B"

RULES AND REGULATIONS

The following rules and regulations shall apply to the Premises, the Building, the parking garage associated therewith, and the appurtenances thereto:

l. Sidewalks, doorways, vestibules, halls, stairways, and other similar areas shall not be obstructed by tenants or used by any tenant for purposes other than ingress and egress to and from their respective leased premises and for going from one to another part of the Building.

2. Plumbing, fixtures and appliances shall be used only for the purposes for which designed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or deposited therein. Damage resulting to any such fixtures or appliances from misuse by a tenant or its agents, employees or invitees, shall be paid by such tenant.

3. No signs, advertisements or notices (other than those that are not visible outside the Premises) shall be painted or affixed on or to any windows or doors or other part of the Building without the prior written consent of Landlord. Landlord shall provide Tenant, at Landlord's sole cost and expense, with Building standard signage (a) on the main directory in the Building lobby and (b) in the elevator lobby for the ninth (9th) floor of the Building.

4. Landlord shall provide all door locks in each tenant's leased premises, at the cost of such tenant, and no tenant shall place any additional door locks in its leased premises without Landlord's prior written consent. Landlord shall furnish to each tenant a reasonable number of keys to such tenant's leased premises, at such tenant's cost, and no tenant shall make a duplicate thereof.

5. If the Building is multi-tenant, movement in or out of the Building of furniture or office equipment, or dispatch or receipt by tenants of any bulky material, merchandise or materials which require use of elevators or stairways, or movement through the Building entrances or lobby shall be conducted under Landlord's supervision at such times and in such a manner as Landlord may reasonably require. Each tenant assumes all risks of and shall be liable for all damage to articles moved and injury to persons or public engaged or not engaged in such movement, including equipment, property and personnel of Landlord if damaged or injured as a result of acts in connection with carrying out this service for such tenant.

6. Landlord may prescribe weight limitations and determine the locations for safes and other heavy equipment or items, which shall in all cases be placed in the Building so as to distribute weight in a manner acceptable to Landlord which may include the use of such supporting devices as Landlord may require. All damages to the Building caused by the installation or removal of any property of a tenant, or done by a tenant's property while in the Building, shall be repaired at the expense of such tenant.

7. Corridor doors, when not in use, shall be kept closed. Nothing shall be swept or thrown into the corridors, halls, elevator shafts or stairways. No birds or animals (other than seeing-eye dogs) shall be brought into or kept in, on or about any tenant's leased premises. No

portion of any tenant's leased premises shall at any time be used or occupied as sleeping or lodging quarters.

8. Tenant shall not make or permit any vibration or improper, objectionable or unpleasant noises or odors in the Building or otherwise interfere in any way with other tenants or persons having business with them.

9. No machinery of any kind (other than normal office equipment) shall be operated by any tenant on its leased area without Landlord's prior written consent, nor shall any tenant use or keep in the Building any flammable or explosive fluid or substance (other than typical office supplies [e.g., photocopier toner] used in compliance with all Laws).

10. Landlord will not be responsible for lost or stolen personal property, money or jewelry from tenant's leased premises or public or common areas regardless of whether such loss occurs when the area is locked against entry or not.

11. No vending or dispensing machines of any kind may be maintained in any leased premises without the prior written permission of Landlord, other than those used for Tenant's employees.

12. Tenant shall not conduct any activity on or about the Premises or Building which will draw pickets, demonstrators, or the like.

13. No tenant may enter into phone rooms, electrical rooms, mechanical rooms, or other service areas of the Building unless accompanied by Landlord or the Building manager.

14. No smoking is allowed anywhere in the Building. Smoking is allowed only in Landlord-designated smoking areas that are at least fifty (50) feet from the Building entry or elevators, public walkways and the Building's outdoor air intakes, outdoor louvers, or operable windows. Tenant shall not permit its employees, invitees or guests to smoke in the Premises or Building, or anywhere within the foregoing fifty (50) foot area (including without limitation e-cigarettes).

15. Canvassing, soliciting or peddling in or about the Premises or the Project is prohibited and Tenant shall cooperate to prevent same.

16. The Premises shall not be used for any use that is disreputable or may draw protests.

17. Tenant shall not use or permit space heaters or energy-intensive equipment unnecessary to conduct Tenant's business without written approval by Landlord. Any space conditioning equipment that is placed in the Premises by Tenant for the purpose of increasing comfort to occupants shall be operated on sensors or timers that limit operation of equipment to hours of occupancy in the areas immediately adjacent to the occupying personnel.

18. Tenant shall operate the Premises in a manner consistent with Landlord's Sustainability Initiative.

19. Tenant shall not mark, paint, drill into, or in any way deface any part of the Building or Premises. No boring, driving of mails, or screws, cutting or stringing of wires shall be permitted, except with the prior written consent of Landlord, and as Landlord may direct. Tenant shall not install any resilient tile or similar floor covering the Premises. The use of cement or other similar adhesive material is expressly prohibited.

20. Tenant shall not waste electricity or water and agrees to cooperate fully with landlord to assure the most effective operation of the Building's heating and air conditioning. Tenant shall keep corridor doors closed except when being used for access.

21. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags, or other substances shall be thrown therein.

22. No smoking shall be permitted in any portion of the Building (including the Premises and all common areas within the Building). Landlord may also limit smoking in exterior areas to such location or locations as Landlord may designate from time to time. No sale or distribution of tobacco or tobacco products shall be permitted anywhere in the Building or on the Lot or any other facilities operated in connection with the Building or the Lot.

23. Building employees shall not be required to perform, and shall not be requested by any tenant or occupant to perform, any work outside of their regular duties, unless under specific instructions from the office of the Manager of the Building.

24. Tenant may request heating and/or air conditioning during other periods in addition to normal Building Business Hours by submitting its request in writing to the office of the Manager of the Building no later than 12:00 p.m. the preceding work day (Monday through Friday) on forms available from the office of the Manager. The request shall clearly state the start and stop hours of the "off-hour" service. Tenant shall submit to the Building Manager a list of personnel authorized to make such request. The Tenant shall be charged for such operation in the form of additional rent; such charges are to be determined by the Landlord.

25. Tenant covenants and agrees that its use of the Premises shall not cause a discharge of more than the gallonage per foot of rentable square feet per day of sanitary (non-industrial) sewage allowed under the sewage discharge permit for the Building. Discharges in excess of that amount, and any discharge of industrial sewage, shall only be permitted if Tenant, at its sole expense, shall have obtained all necessary permits and licensees therefor, including without limitation permits from state and local authorities having jurisdiction thereof.

26. Landlord may establish reasonable rules and regulations regarding the use of the roofdeck located on the third floor of the Building, and provide for an orderly and reasonable method for the reservation of such space, which may include, if Landlord so elects, a reasonable charge therefor.

27. Janitorial services shall be provided in accordance with Exhibit G. Tenants shall not cause unnecessary labor by reason of carelessness or indifference in the preservation of good order and cleanliness. The work of the janitor or cleaning personnel shall not be hindered by Tenant and such work may be done at any time when the offices are vacant. The windows, doors

and fixtures may be cleaned at any time without interruption of purpose for which the Premises are let. Tenant shall provide adequate waste and rubbish receptacles, cabinets, bookcases, map cases, etc. necessary to prevent unreasonable hardship to Landlord in discharging its obligation regarding cleaning service. Boxes should be broken down to fit into containers.

These Building Rules and Regulations are subject to change and are not limited to what is contained herein. Landlord and the building manager reserve the right to implement additional Building Rules and Regulations as may be prudent.B-2

EXHIBIT "C"

PARKING RULES AND REGULATIONS

The parking rules & regulations are designed to assure our tenants and visitors safe use and enjoyment of the facilities. Please remove or hide any personal items of value from plain sight to avoid temptation leading to vandalism of vehicles. Please exercise added caution when using parking lot at night. Please keep vehicle locked at all times. Please report violations of these rules to the Landlord immediately. Please report any lights out or other possibly dangerous situations to the Landlord as soon as possible.

Restrictions

- Damage caused by vehicles is the responsibility of vehicle owner.
- Landlord is not responsible for theft or damage to any vehicle.
- Landlord is not responsible for water damage from leaks in the garage or any surface parking area.
- Landlord is not responsible for damage due to height limitations of garage.
- Vehicles not to exceed 2 miles per hour speed limit in the garage.
- Vehicles that leak excessive fluids will be required to protect parking surface.
- Mechanical repairs to vehicles are not permitted on property.
- Large or oversize vehicles such as motor homes, boats or trailers are not permitted.
- No parking in fire lanes, loading zones or any other areas not designated as a parking space.
- Landlord, at Landlord's sole discretion, may add or modify the parking rules.
- Landlord reserves the right to relocate the location of reserved spaces from time to time.
- Rental for reserved spaces shall be paid to Landlord by Tenant along with, and on the same due date as, the Minimum Monthly Rent.

Violations of rules & regulations may result in towing from the Project. Towing from the Project can only be ordered by Landlord or Landlord's property manager. Charges for towing are to be paid by vehicle owner.

These Parking Rules and Regulations are subject to change and are not limited to what is contained herein. Landlord and the Building manager reserve the right to implement additional Parking Rules and Regulations as may be prudent.

EXHIBIT "D"

TENANT IMPROVEMENTS

This Exhibit "D" is attached to and made a part of the Office Lease Agreement (the "Lease") by and between 55 Cambridge Parkway, LLC, a Delaware limited liability company ("Landlord"), and Kalvista Pharmaceuticals, Inc., a Delaware corporation ("Tenant"), for space in the Building located at 55 Cambridge Parkway, Cambridge, Massachusetts 02142. Capitalized terms used but not defined herein shall have the meanings given in the Lease.

D.1 Existing Conditions. Subject only to Landlord's obligation to perform the Tenant Improvements as provided below, Tenant has inspected, and is satisfied with, the existing, "as-is" condition of the Premises, including any existing improvements and base building elements now located therein.

D.2 Tenant Improvements. Landlord shall perform, at Landlord's cost, the initial leasehold improvements (the "Tenant Improvements") depicted and described on the space plan and the scope of work attached hereto as Schedule D (the "Space Plan"), using only new materials that are consistent with Building standard for materials, quantities and finishes. The Tenant Improvements shall be constructed by Landlord in accordance with, and subject to, the provisions of this Exhibit D and all federal state and local applicable laws rules regulations and codes. Landlord shall use reasonable efforts to "substantially complete" (as hereinafter defined) the Tenant Improvements on or before the Estimated Commencement Date to the extent reasonably practicable. The time for completion of the Tenant Improvements shall be extended by (i) any delays caused by Tenant or Tenant's agents, contractors or employees, and (ii) the duration of any delay beyond Landlord's reasonable control. For purposes hereof, "substantially complete" and "substantial completion" shall mean that (i) the Tenant Improvements have been completed in compliance with the Lease (including, but not limited to, the provisions of this Exhibit D), other than minor punchlist-type items, the completion of which will not unreasonably delay or interfere with Tenant's occupancy of the Premises for the regular conduct of business, and (ii) a certificate of occupancy covering the Premises has been issued by the City of Cambridge.

D.3 Plans. Within twenty (20) days after the execution of the Lease, Landlord's architect shall prepare preliminary plans for the Tenant Improvements (the "Plans"), consistent with the Space Plan, and shall submit such Plans to Tenant for its approval, which approval shall not be unreasonably withheld or delayed. In the event that Tenant disapproves of the Plans, Tenant shall provide the reasons therefor within three (3) business days, and Landlord shall revise the Plans and resubmit the same to Tenant for its reasonable approval within five (5) business days after receipt of Tenant's comments. Such process shall repeat as necessary until the Plans are approved by Tenant. Any failure by Tenant to timely respond to any submission or resubmission of the Plans within three (3) business days after submission or resubmission shall be deemed to be an approval thereof The date on which the Plans are approved or deemed approved by Tenant shall be referred to herein as "Plan Approval".

D.4 Cost of the Tenant Improvements. Landlord shall perform the Tenant Improvements described on Schedule D at Landlord's sole expense. Any change or addition to

the Tenant Improvements shown on Schedule D shall constitute a Tenant Improvements Change Order under Paragraph D.5 below, and Tenant shall be responsible for all additional costs arising from any such Tenant Improvements Change Order (the "Excess Tenant Work Costs"). Landlord may from time to time require Tenant to pay the estimated Excess Tenant Work Costs to Landlord before performing the Tenant Improvements (as affected by such Tenant Improvements Change Order) or otherwise within ten (10) days following receipt of each of Landlord's invoices for each such Tenant Improvements Change Order.

D.5 Change Orders. Tenant may, from time to time, by written order to Landlord on a form specified by Landlord (each, a "Tenant Improvements Change Order" or "Change Order"), request a change in the Tenant Improvements shown on the Plans. Landlord shall cause the Tenant Improvements to be performed in accordance with such Tenant Improvements Change Order after approval thereof by Landlord. The Plans shall not be modified in any material respect except with Landlord's prior written approval; and all modifications to the Plans, whether material or not, shall be made only by Tenant Improvements Change Order submitted to and approved by Landlord. Tenant shall be responsible for all additional costs arising from any Tenant Improvements Change Order as provided in Paragraph D.4 above and shall pay such Excess Tenant Work Costs to Landlord as provided in Paragraph D.4 above.

D.6 Landlord's Performance of the Work. Following Plan Approval, Landlord shall submit the approved Plans to the applicable governmental authorities to obtain the necessary permits for the Tenant Improvements. Upon receipt of such permits, and subject to the provisions of this Exhibit D, Landlord shall thereafter commence and proceed to complete construction of the Tenant Improvements. Landlord may require that the Plans or any Tenant Improvements Change Order be revised if, in Landlord's reasonable judgment, (i) the requested work would delay completion of the Tenant Improvements beyond the Estimated Commencement Date (unless Tenant acknowledges that such delay shall constitute a Tenant delay), (ii) would increase the cost of operating the Building or performing any other work in the Building (unless Tenant pays such additional costs), (iii) are incompatible with the design, quality, equipment or systems of the Building, (iv) would require unusual expense to readapt the Premises to general purpose office use, or (v) otherwise do not comply with the provisions of the Lease. Tenant assumes full responsibility to ensure that the Tenant Improvements are adequate to fully meet the needs and requirements of Tenant's business operations within the Premises and Tenant's use of the Premises. Neither the approval by Landlord of the Plans, or of any other plans, specifications, drawings or other items associated with the Tenant Improvements nor Landlord's performance, supervision or monitoring of the Tenant Improvements shall constitute any warranty or covenant by Landlord to Tenant that the Plans or Tenant Improvements are adequate for any use or comply with any law.

D.7 Measurement of Premises. Following completion of the Tenant Improvements, Landlord's architect shall certify the Rentable Square Feet in the Premises, as computed in accordance with BOMA Standard Methods of Measurement for Office Buildings. In the event the Rentable Square Feet in the Premises so certified by Landlord's architect shall be different from the Rentable Square Feet in the Premises referenced in Section 1.1(g) of the Lease, then the Minimum Annual Rent shall be proportionately adjusted based on the revised square footage of the Premises multiplied by the applicable square foot rental rate; Base Operating Share, Tenant's Share of Operating Costs, Base Tax Share and Tenant's Share of Taxes, all as defined in

Article 5, shall be adjusted accordingly; and Landlord and Tenant agree to promptly execute an amendment to this Lease to revise the applicable sections of this Lease.

D.8 Construction Representatives. Landlord's and Tenant's representatives for coordination of construction and approval of Change Orders will be as follows, provided that either party may change its representative upon written notice to the other:

Landlord's Representative:	Megan Kenny Lincoln Property Company 53 State Street, 8th Floor Boston, MA 02109
Tenant's Representative:	Ben Palleiko Chief Financial Officer KalVista Pharmaceuticals, Inc. Phone: 857.999.0075

SCHEDULE D

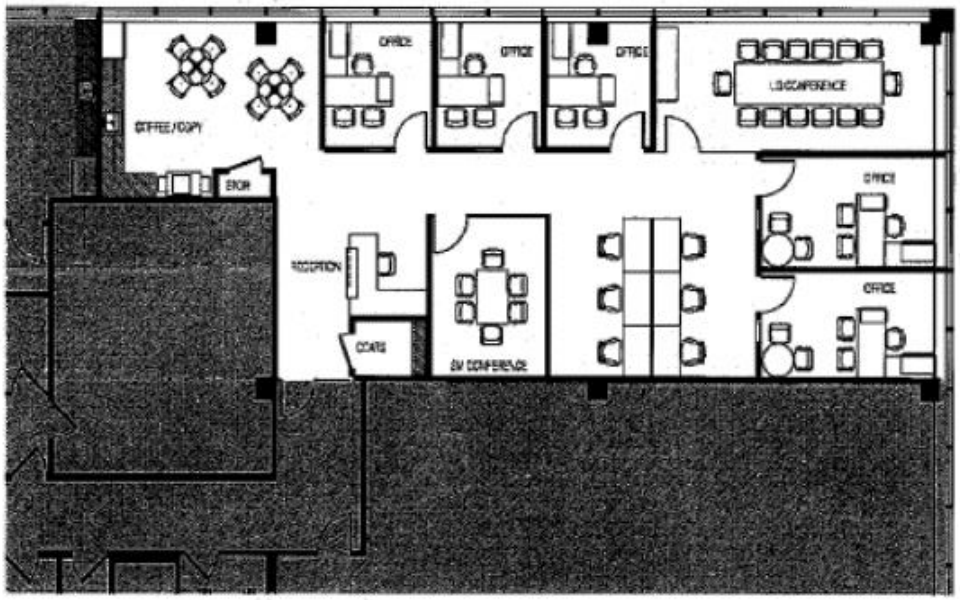
SPACE PLAN

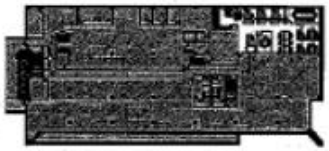
[See Attached Scope of Work and Space Plan]

SCOPE OF WORK TO INCLUDE -
USING BUILDING STANDARD MATERIALS, QUANTITIES, AND FINISHES

- VCT IN CAFE/COPY ROOM
- CARPET THROUGHOUT REMAINDER OF SPACE
- ACT CEILING THROUGHOUT
- 2'X2' DIRECT/INDIRECT LIGHT FIXTURES
- 2' SIDELIGHTS AT EACH OFFICE
- UP TO 9' FRAMELESS GLASS FRONTS AND DOORS AT CONFERENCE ROOM (S)
- ONE FLOOR CORE IN LARGE CONFERENCE ROOM
- STAIN GRADE DOORS AT OFFICES AND CLOSETS
- TWO OUTLETS/TEL DATA JACKS PER OFFICE AND SMALL CONFERENCE ROOM
- ONE OUTLET AT EVERY 9' IN CORRIDORS AND OPEN AREAS
- ONE OUTLET/ TEL DATA JACK PER WALL IN LARGE CONFERENCE ROOM
- PLASTIC LAMINATE CABINETS AND COUNTERS IN COFFEE/COPY ROOM

*NOTE:
ALL FURNITURE SHOWN AS REFERENCE ONLY AND NOT INCLUDED IN SCOPE OF WORK





KEY PLAN

PROGRAM:
(5) OFFICES
(1) RECEPTION
(1) WAITING

TOTAL HEADCOUNT: 12
OTHER:
(1) LARGE CONFERENCE
(1) SMALL CONFERENCE
(1) COFFEE/COPY
(1) STORAGE
(1) COATS CLOSET

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FP-02

EXHIBIT "D-1"

CONTRACTOR RULES AND REGULATIONS

Any and all improvements, alterations or additions performed by Tenant will be performed in accordance with this Exhibit D-1, and any modifications thereto by Landlord, notwithstanding any more permissive local building codes or ordinances.

1. WORK APPROVAL

The general contractor ("Contractor") and all subcontractors must be approved to conduct their trades in the jurisdiction in which the Building is located by any and all governmental entities with such authority. Tenant or Contractor must provide Landlord with names, addresses and phone numbers for all subcontractors prior to commencement of work by the subcontractor. Construction drawings must be approved by Landlord prior to the start of construction. All projects shall be reviewed for potential impact to reduction targets and environmental programs. An agent or representative of Contractor must be present on the site at all times when work is in process.

2. INSURANCE

Prior to commencement of work, Contractor shall provide to Landlord a certificate of insurance in the form of an ACORD certificate with the approved limits of coverage and naming Landlord and the Building manager as additional insureds.

3. PERMITS

Permits and licenses necessary for the onset of all work shall be secured and paid for by Contractor and posted as required by applicable law.

4. INSPECTIONS

All inspections which must be performed by testing any or all of the life safety system, e.g., alarms, annunciator, voice activated, strobe lights, etc., must be performed prior to 7:00 a.m. or after 6:00 p.m., and the on-site engineer must be present. At least 48 hours notice must be provided to the Building manager and the on-site engineer advising that an inspection has been requested.

5. ELEVATORS

The use of the freight elevator for deliveries and removals shall be scheduled in advance by Contractor with the Building engineer's office for the transfer of all construction materials, tools, and trash to and from the construction floor. Passenger elevators shall not be used for these purposes. The elevator walls and floor shall be protected at all times during Contractor's use. From time to time, Contractor may be required to share the freight elevator with the cleaning crew, other tenants, etc. Large transfers of materials, whether for deliveries or removals, must be done prior to 7:00 a.m. or after 6:00 p.m. No deliveries of any kind or nature shall be brought in through the front door of the Building at any time.

6. NON-CONSTRUCTION AREAS

Contractor shall take all necessary precautions to protect all walls, carpets, floors, furniture, fixtures and equipment outside of the work area and shall repair or replace damaged property without cost to Landlord. Masonite must be placed as a walkway on the public corridors from the freight elevator to the construction site to protect the carpet and/or flooring. Common area carpet and flooring protection is to be used and removed daily and the carpet and flooring vacuumed or dust mopped, whichever is appropriate, on a daily basis.

7. EROSION AND SEDIMENT CONTROL

Contractor agrees to provide a management plan prior to any exterior ground work being performed to prevent loss of soil during construction by stormwater runoff and/or wind erosion, including protecting topsoil by stockpiling for reuse, preventing sedimentation of storm sewer or receiving streams, and preventing polluting the air with dust and particulate matter. Contractor shall log building operations and maintenance activity to ensure that the plan has been followed.

8. GREEN BUILDINGS

Contractor agrees to incorporate Sustainability Standards into the preparation of the Plans and Specifications, including, without limitation, those "Energy and Sustainability Construction Guidelines & Requirements," attached hereto as Exhibit D-2, when such compliance will not cause a material increase in-Construction Costs.

9. WATER AND ELECTRICITY

Sources of water and electricity will be furnished to Contractor without cost, in reasonable quantities for use in lighting, power tools, drinking water, water for testing, etc. "Reasonable quantities" will be determined on a case-by-case basis but are generally intended to mean quantities comparable to the water and electrical demand Tenant would use upon taking occupancy. Contractor shall make all connections, furnish any necessary extensions, and remove same upon completion of work.

10. DEMOLITION AND DUSTY WORK

Demolition of an area in excess of 100 square feet must be performed before 7:00 am. or after 6:00 p.m. Contractor shall notify the Building engineer's office at least one full business day prior to commencement of extremely dusty work (sheet rock cutting, sanding, extensive sweeping, etc.) so arrangements can be made for additional filtering capacity on the affected HVAC equipment. Failure to make such notification will result in Contractor incurring the costs to return the equipment to its proper condition. All lights must be covered during high dust construction due to a plenum return air system.

11. CONSTRUCTION MANAGEMENT PLAN FOR INDOOR AIR QUALITY

Contractor agrees to develop and implement an Indoor Air Quality (IAQ) Management Plan for the construction and occupancy phases of the area being built out as follows:

☐ During construction, meet or exceed the recommended Design Approaches of the Sheet Metal and Air Conditioning National Contractors Association (SMACNA) IAQ Guideline for Occupied Buildings Under Construction, 1995, Chapter 3.

☐ Protect stored on-site or installed absorptive materials from moisture damage.

☐ If air handlers must be used during construction, use filtration media with a Minimum Efficiency Reporting Value (MERV) of 8 at each return air grill, as determined by ASHRAE 52.2-1999.

☐ Replace all filtration media immediately prior to occupancy.

Make every reasonable effort to minimize the off-gassing of volatile organic compounds used in construction materials within the building. Efforts may include the use of no- and low-VOC products and materials, allowing products to off-gas before being brought into the building, and flushing out the space with outside air or air purifiers.

12. WATER USE EFFICIENCY

Contractor agrees to comply with the following:

☐ Maintain maximum fixture water efficiency within the Building to reduce the burden on potable water supply and wastewater systems.

☐ Keep fire systems, domestic water systems, landscape irrigation systems as separate systems to be maintained and metered separately. Modifications to the water systems must maintain the integrity of these three systems.

☐ Submeter process water used directly by tenant and for the sole benefit of tenant.

☐ Irrigation lines are not to be connected to domestic supply lines.

13. PURCHASING

If Landlord has a comprehensive sustainable purchasing policy as part of its Sustainability Initiative, Contractor agrees to provide information about all material purchases for facility improvements, additions and alterations. Landlord will supply a standard format for reporting purposes that will include, but not be limited to, data on cost, quantity purchased and product sustainability features. Contractor shall timely and fully report to Landlord all such information including product specification sheets on all materials used in connection with the job, as Landlord may require from time to time.

14. REMOVAL OF WASTE MATERIALS

Any and all existing building materials removed and not reused in the construction shall be disposed of by Contractor as waste or unwanted materials, unless otherwise directed by the Building manager.

Contractor shall comply with all laws and Landlord's waste and recycling practices. Contractor shall at all times keep areas outside the work area free from waste material, rubbish and debris and shall remove waste materials from the Building on a daily basis.

15. CLEANUP

Upon construction completion, Contractor shall remove all debris and surplus material and thoroughly clean the work area and any common areas impacted by the work.

16. HOUSEKEEPING PRACTICES

Contractor agrees to comply with Landlord's cleaning and maintenance practices.

17. MATERIAL SAFETY DATA SHEETS (MSDS)

Contractor agrees to provide the Building manager with at least 72 hours advance notice of all chemicals to be used on site through written notice and delivery of MSDS sheets.

18. WORKING HOURS

Standard construction hours are 6:30 a.m. - 5:00 p.m. The Building engineer must be notified at least two full business days in advance of any work that may disrupt normal business operations, e.g., drilling or cutting of the concrete floor slab. The Building manager reserves the right to determine what construction work is considered inappropriate for normal business hours. Work performed after standard construction hours requires an on-site engineer, who shall be billed at the then overtime rate, payable by Contractor.

19. WORKER CONDUCT

Contractor and subcontractors are to use care and consideration for others in the Building when using any public areas. No abusive language or actions on the part of the workers will be tolerated. It will be the responsibility of Contractor to enforce this regulation on a day-to-day basis. Contractor and subcontractors sha11 remain in the designated construction area so as not to unnecessarily interrupt other tenants. No sleeveless shirts are allowed. Long pants and proper work shoes are required. All workers must wear company identification.

20. CONSTRUCTION INSPECTIONS

Contractor is to perform a thorough inspection of all common areas to which it requires access prior to construction to document existing Building conditions. Upon completion of work, if necessary, Contractor shall return these areas to the same condition in which they were originally viewed. Any damage caused by Contractor shall be corrected at its sole cost.

21. SIGNAGE

Contractor or subcontractor signage may not be displayed in the Building common areas or on any of the window glass.

22. POSTING OF RULES AND REGULATIONS

A copy of these rules and regulations must be posted on the job site in a manner allowing easy access by all workers. It is Contractor's responsibility to instruct all workers, including subcontractors, to familiarize themselves with these rules and regulations.

23. INSURANCE REQUIREMENTS

Contractor will provide and maintain at its own expense the following minimum insurance:

(a) Worker's Compensation for statutory limits in compliance with applicable State and Federal laws.

(b) Comprehensive General Liability with limits not less than $5,000,000 combined single limit per occurrence for Bodily Injury and Property Damage.

(c) Automobile liability including owned, non-owned and hired automobiles with limits not less than:

Bodily Injury	$500,000 each person
	$500,000 each accident
Property Damage	$500,000 each accident

24. CERTIFICATE OF INSURANCE

NAMED INSUREDS: _____, OWNER, ANY BUILDING MANAGER FOR OWNER, AND ANY MORTGAGEE AND/OR GROUND LESSOR OF THE BUILDING AND/OR THE LANDD

Certificates of Insurance in the form of an ACORD 25-S certificate evidencing the required coverages and naming the additional insureds as stated MUST be furnished thirty (30) days prior to starting the contract work. Each certificate will contain a provision that no cancellation or material change in the policies will be effective except upon thirty (30) days prior written notice.

25. EMERGENCY PROCEDURES

In case of emergency, Contractor shall call the police/fire department and/or medical services, followed immediately by a call to the Building manager.

26. DELIVERIES

At no time will the Building staff accept deliveries on beha1f of Contractor or any subcontractor.

27. CHANGES

THESE CONTRACTOR RULES AND REGULATIONS ARE SUBJECT TO CHANGE AND ARE NOT LIMITED TO WHAT IS CONTAINED HEREIN. LANDLORD AND THE BUILDING MANAGER RESERVE THE RIGHT TO IMPLEMENT ADDITIONAL RULES AND REGULATIONS AS MAY BE PRUDENT BASED ON EACH INDIVIDUAL PROJECT.

EXHIBIT "D-2"

ENERGY AND SUSTAINABILITY
CONSTRUCTION GUIDELINES AND REQUIREMENTS

Any and all improvements, alterations or additions performed by Tenant and/or its employees, Contractors, subcontractors, consultants or agents will be performed in accordance with this Exhibit D-2, and any modifications thereto by Landlord, notwithstanding any more permissive local building codes or ordinances.

HVAC Equipment

- Tenant-installed HVAC and refrigeration equipment and fire suppression systems shall not contain CFCs.
- Ensure tenant-installed HVAC systems tie into the Building's Building Automation System.
- Avoid the installation of HVAC and refrigeration equipment containing HCFCs when reasonable.

Appliances & Equipment

Install only ENERGY STAR-certified appliances. ***Recommend*** the use of ENERGY STAR-certified office equipment, electronics and commercial food service equipment in all instances where such product is available.

Plumbing

Install only new plumbing fixtures that meet the following:

- Lavatory faucets: [0.5] gallons per minute (GPM) tamper-proof aerators
- Pantry/Kitchenette faucets: [1.5] GPM tamper-proof aerators
- Water closets: [1.28] gallons per flush (GPF)
- Urinals: (0.125] GPF
- Showerheads: Meet the requirements of EPA WaterSense-labeled products
- Commercial Pre-rinse Spray valves (for food service applications): [1.6] or less GPM

Lighting

- Lighting loads ***shall not*** exceed ASHRAE/IES Standard 90.1- 2010. For example, the Maximum Lighting Power Density for office use is 0.9 watts per square foot.
- ***At a minimum***, install occupancy/vacancy sensors with manual override capability in all regularly occupied office spaces. Lighting controls shall be tested prior to occupancy to ensure that control elements are calibrated, adjusted and in proper working condition to achieve optimal energy efficiency.

- ***Recommend*** installation of daylight-responsive controls in all regularly occupied office spaces within 15 feet of windows.

Data Center within the Premises

(i) Tenant may not operate a Data Center within the Premises without the express written consent of Landlord. The term "**Data Center**" shall have the meaning set forth in the U.S. Environmental Protection Agency's ENERGY STAR® program and is a space specifically designed and equipped to meet the needs of high-density computing equipment, such as server racks, used for data storage and processing. The space will have dedicated, uninterruptible power supplies and cooling systems. Data Center functions may include traditional enterprise services, on-demand enterprise services, high-performance computing, internet facilities and/or hosting facilities. A Data Center does not include space within the Premises utilized as a "server closet" or for a computer training area. In conjunction with the completion and operation of the Data Center, Tenant shall furnish the following information to Landlord:

(l) Within ten (10) days of completion, Tenant shall report to Landlord the total gross floor area (in square feet) of the Data Center measured between the principal exterior surfaces of the enclosing fixed walls and including all supporting functions dedicated for use in the Data Center, such as any raised-floor computing space, server rack aisles, storage silos, control console areas, battery rooms, mechanical rooms for cooling equipment, administrative office areas, elevator shafts, stairways, break rooms and restrooms. If Tenant alters or modifies the area of the Data Center, Tenant shall furnish an updated report to Landlord on the square footage within ten (10) days following completion of the alterations or modifications.

(2) Within ten (10) days following the close of each month of operation of the Data Center, monthly IT Energy Readings at the output of the Uninterruptible Power Supply (UPS), measured in total kWh utilized for the preceding month (as opposed to instantaneous power readings), failing which in addition to same being an Event of Default, Tenant shall be obligated to pay to Landlord the Late Reporting Fee.

Building Materials

- Architect and general contractor ***shall endeavor*** to specify low-VOC paints, coatings, primers, adhesives, sealants, sealant primers, coatings, stains, finishes and the like. Suggested VOC limits are at the end of this document.

- Architect and general contractor ***shall endeavor*** to specify materials that meet the following criteria:

  - Harvested and processed or extracted and processed within a 500-mile radius of the project site. Contain at least 10% post-consumer or 20% pre-consumer materials.

  - Contain material salvaged from offsite or on-site. Contain rapidly renewable material.

  - Made of wood-based materials, excluding movable furniture, certified as harvested from sustainable sources, specifically Forest Stewardship Council (FSC)-certified wood.

- Carpet meeting or exceeding the requirements of the CRI Green Label Plus Testing Program and recyclable where available.

- Carpet cushion meeting or exceeding the requirements of the CRI Green Label Testing Program. Preferably, at least 25% of the hard surface flooring (not carpet) will be FloorScore-certified.

- Composite wood or agrifiber products shall contain no added urea-formaldehyde resins.

Contractor Practices

- General Contractor ***shall implement*** the Building's Waste Management Plan to reuse, recycle and salvage building materials and waste during both demolition and construction phases.

- General Contractor ***shall implement*** appropriate Indoor Air Quality Protocols for construction activity.

Resources

For actual regulations, rules and standards visit:

SCAQMD

BAAQMD
Green Seal

Architectural Coatings	**VOC Limit [g/L less water]**	
Clear Wood Finishes - Varnish	350	
Clear Wood Finishes - Lacquer	550	
Waterproofing Sealers	250	
Sanding Sealers	275	
All Other Sealers	200	
Shellacs - Clear	730	
Shellacs - Pigmented	550	
All Stains		

Architectural Applications	**VOC Limit [g/L less water]**	**Specialty Applications**	**VOC Limit [g/L less water]**
Indoor Carpet Adhesives	50	PVC Welding	510
Carpet Pad Adhesives	50	CPVC Welding	490
Wood Flooring Adhesives	100	ABS Welding	325
Rubber Floor Adhesives	60	Plastic Cement Welding	250
Subfloor Adhesives	50	Adhesive Primer for Plastic	550
Ceramic Tile Adhesives	65	Contact Adhesive	80
VCT & Asphalt Adhesives	50	Special Purpose Contact Adhesive	250
Drywall & Panel Adhesives	50	Structural Wood Member Adhesive	140
Cover Base Adhesives	50	Sheet Applied Rubber Lining Operations	850
Multipurpose Construction Adhesives	70	Top & Trim Adhesive	250
Structural Glazing Adhesives	100		
Single-Ply Roof Membrane Adhesives	250		

Substrate Specific Applications	**VOC Limit [g/L less water]**	**Specialty Applications**	**VOC Limit [g/L less water]**
Metal to Metal	30	Architectural	250
Plastic Foams	50	Nonmembrane Roof	300
Porous Material (except wood)	50	Roadway	250
Wood	30	Single-Ply Roof Membrane	450
Fiberglass	80	Other	420

Sealant Primers	**VOC Limit [g/L less water]**
Architectural Non Porous	250
Architectural Porous	775
Other	750

Green Seal Standard VOC Limits-October 19, 2000

Paints	**VOC Limit (g/L less water)**
Flat	50
Non-flat	150
Anti-corrosive/anti-rust	250
Aerosol Adhesives	**VOC Weight (g/L minus water)**
General Purpose Mist Spray	65% voes by weight
General Purpose Mist Spray	55% voes by weight
Special Purpose Aerosol Adhesives (all types)	70% voes by weight

Architectural	**VOC Limit [g/L less water]**	**Specialty Applications**	**VOC Limit [g/L less water]**
Indoor Floor Covering Installation	150	Computer Diskette Jacket Manufacturing	850
Multipurpose Construction	200	ABS Welding	400
Nonmembrane Roof Installation/Repair	300	CPVC Welding	490
Outdoor Floor Covering Installation	250	PVC Welding	510
Single-Ply Roof Material Installation/Repair	250	Other Plastic Welding	500
Structural Glazing	100	Thin Metal Laminating	780
Ceramic Tile Installation	130	Tire Retread	100
Cove Base Installation	150	Rubber Vulcanization Bonding	850
Perimeter Bonded Sheet Vinyl Flooring	660	Waterproof Resorcinol Glue	170
		Immersible Product Manufacturing	650
		Top and Trim Installation	540
Adhesive Primers	**VOC Limit [g/L less water]**	**Contact Bond Adhesive**	**VOC Limit [g/L less water]**
Automotive Glass Primer	700	Contact Bond Adhesive	250
Pavement Marking Tape Primer	150	Contact Bond Adhesive - Special Substrates	400
Plastic Welding Primer	650		
Other	650		
Adhesive Projects	**VOC Limit [g/L less water]**	**Sealants**	**VOC Limit [g/L less water]**
Metal	30	Architectural	250
Porous Materials	120	Marine Deck	760
Wood	120	Roadways	250
Pre-formed Rubber Products	250	Single-Ply Roof Materials Installation/Repair	450
All Other Substrates	250	Nonmembrane Roof Installation/Repair	300
		Other	420
		Sealant Primers	**VOC Limit [g/L less water]**
		Architectural -Nonporous	250
		Architectural -Porous	775
		Other	750

EXHIBIT "E"

CONFIRMATION OF COMMENCEMENT DATE

_____, 20__

_____
_____
_____
_____

Re: Lease Agreement (the "Lease") dated May __, 2017, between 55 Cambridge Parkway, LLC, a Delaware limited liability company ("Landlord"), and Kalvista Pharmaceuticals, Inc., a Delaware corporation ("Tenant"). Capitalized terms used herein but not defined shall be given the meanings assigned to them in the Lease.

Ladies and Gentlemen:

Landlord and Tenant agree as follows:

1. **Condition of Premises**. Tenant has accepted' possession of the Premises pursuant to the Lease. Any improvements required by the terms of the Lease to be made by Landlord have been completed to the full and complete satisfaction of Tenant in all respects except for the punchlist items described on Exhibit A hereto (the "**Punchlist Items**"), and except for such Punchlist Items, Landlord has fulfilled all of its duties under the Lease with respect to such initial tenant improvements. Furthermore, Tenant acknowledges that the Premises are suitable for the Permitted Use.

2. **Commencement Date**. The Commencement Date of the Lease is _____, 20__.

3. **Expiration Date**. The Lease Term is scheduled to expire on the last day of the sixtieth (60th) full calendar month of the Lease Term, which date is 20_.

4. **Contact Person**. Tenant's contact person in the Premises is:

_____
_____
_____
Attention: _____
Telephone: _____
Telecopy: _____

5. **Ratification**. Tenant hereby ratifies and confirms its obligations under the Lease, and represents and warrants to Landlord that it has no defenses thereto. Additionally, Tenant further confirms and ratifies that, as of the date hereof, (a) the Lease is and remains in good standing and in full force and effect, and (b) Tenant has no claims, counterclaims, set-offs or

defenses against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Landlord and Tenant.

6. **Binding Effect; Governing Law**. Except as modified hereby, the Lease shall remain in full effect and this letter shall be binding upon Landlord and Tenant and their respective successors and assigns. If any inconsistency exists or arises between the terms of this letter and the terms of the Lease, the terms of this letter shall prevail. This letter shall be governed by the laws of the state in which the Premises are located.

Please indicate your agreement to the above matters by signing this letter in the space indicated below and returning an executed original to us.

Agreed and accepted:

KALVISTA PHARMACEUTICALS, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

Sincerely,

55 CAMBRIDGE PARKWAY, LLC,
a Delaware limited liability company

By: Invesco ICRE Massachusetts REIT Holdings, LLC, Its sole member

By: _____
Name:
Title:

EXHIBIT A

PUNCHLIST ITEMS

Please insert any punchlist items that remain to be performed by Landlord. If no items are listed below by Tenant, none shall be deemed to exist.

EXHIBIT "F"

MOISTURE AND MOLD CONTROL INSTRUCTIONS

Because exercising proper ventilation and moisture control precautions will help maintain Tenant's comfort and prevent mold growth in the Premises, Tenant agrees to adopt and implement the following guidelines, to avoid enveloping excessive moisture or mold growth:

1. Report any maintenance problems involving water, moist conditions, or mold to the Property Manager promptly and conduct its required activities in a manner that prevents unusual moisture conditions or mold growth.

2. Do not block or inhibit the flow of return or make up air into the HVAC system. Maintain the Premises at a consistent temperature and humidity level in accordance with the Property Manager's instructions.

3. Regularly conduct janitorial activities, especially in bathrooms, kitchens, and janitorial spaces, to remove mildew and prevent or correct moist conditions.

4. Maintain water in all drain taps at all times.

Dated: May __, 2017

TENANT:

KALVISTA PHARMACEUTICALS, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT "G"

LANDLORD'S SERVICES

I. CLEANING

A. Office Area

Daily: (Monday through Friday, inclusive. Legal Holidays excepted.)

1. Empty and clean all waste receptacles; wash receptacles as necessary.
2. Sweep and dust mop all uncarpeted areas using a dust-treated mop.
3. Vacuum all rugs and carpeted areas.
4. Hand dust and wipe clean with treated cloths all horizontal surfaces including furniture, office equipment, window sills, door ledges, chair rails, and convector tops, within normal reach.
5. Wash clean all water fountains.
6. Remove and dust under all desk equipment and telephones and replace same.
7. Wipe clean all brass and other bright work.
8. Hand dust all grill work within normal reach.

Weekly:

1. Dust coat racks, and the like.
2. Remove all finger marks from private entrance doors, light switches and doorways.

Quarterly:

1. Clean and spray wax vinyl tile floors in tenant areas.
2. Render high dusting not reached in daily cleaning to include:
   a. Dusting all pictures, frames, charts, graphs, and similar wall hangings.
   b. Dusting all vertical surfaces, such as walls, partitions, doors, and ducts.
   c. Dusting all pipes, ducts, and high moldings.

B. Lavatories

Daily: (Monday through Friday, inclusive. Legal Holidays excepted.)

1. Sweep and damp mop floors.
2. Clean all mirrors, powder shelves, dispensers and receptacles, bright work, flushometers and piping.
3. Wash all toilet seats.
4. Wash all basins, bowls and urinals.

5. Dust and clean all powder room fixtures.

6. Empty and clean paper towel and sanitary disposal receptacles.

7. Refill tissue holders, soap dispensers, towel dispensers, vending sanitary dispensers; materials to be finished by Landlord.

8. A sanitizing solution will be used in all lavatory cleaning.

Monthly:

1. Machine scrub lavatory floors.

2. Wash all partitions and tile walls in lavatories.

C. Main Lobby, Elevators, Building Exterior and Corridors

Daily: (Monday through Friday, inclusive. Legal Holidays excepted.)

1. Sweep and wash all floors.

2. Wash all rubber mats.

3. Clean elevators, wash or vacuum floors, wipe down walls and doors.

4. Spot clean any metal work inside lobby.

5. Spot clean any metal work surrounding Building entrance doors. Monthly: All resilient tile floors in public areas to be treated equivalent to spray buffing.

D. Window Cleaning

Windows of exterior walls will be washed quarterly.

II. HEATING, VENTILATING, AND AIR CONDITIONING

1. Heating, ventilating, and air conditioning as required to provide reasonably comfortable temperatures for normal business day occupancy (excepting holidays); Monday through Friday from 8:00 a.m. to 6:00 p.m. and Saturday from 8:00 a.m. to 1:00 p.m., subject to the provisions of Article 18 of the Lease.

2. Maintenance of any additional or special air conditioning equipment and the associated operating cost will be at Tenant’s expense.

III. WATER

Hot water for lavatory purposes and cold water for drinking, lavatory and toilet purposes.

IV. ELEVATORS

Elevators for the use of all tenants and the general for access to and from all floors of the Building. Programming of elevators (including, but not limited service elevators) shall be as Landlord from time to determines best for the Building as a whole.

V. RELAMPING OF LIGHT FIXTURES

Tenant will reimburse Landlord for the cost of lamps, ballasts and starters and the cost of replacing same within the Premises.

VI. CAFETERIA AND VENDING INSTALLATIONS

1. Any space to be used primarily for lunchroom or cafeteria operation shall be Tenant's responsibility to keep clean and sanitary, it being understood that Landlord's approval of such use must be first obtained in writing.

2. Vending machines or refreshment service installations by Tenant must be approved by Landlord in writing and shall be restricted in use to employees and business callers. All cleaning necessitated by such installations shall be at Tenant's expense.

VII. ELECTRICITY

A, Landlord, at Landlord's expense, shall furnish electrical energy required for lighting, electrical facilities, equipment, machinery, fixtures, and appliances used in or for the benefit of the Premises in accordance with the provisions of the Lease of which this Exhibit is a part.

B. Electricity to the Premises shall be submetered or check metered to the Premises. Tenant shall pay for all charges for electric consumption in the Premises as reasonably determined by Landlord, but without mark-up above actual cost, within ten (10) days of Landlord's invoice therefor, from time to time, but not more often than monthly; provided that upon written notice from Landlord, Tenant shall pay an estimate of such charges, as reasonably determined by Landlord from time to time, monthly at the same time and in the same manner as payments of Minimum Annual Rent, with appropriate payment (or credit against future electric charges) to be made annually based upon Landlord's revised estimates for the prior year. If at any time electric charges for the Premises are payable to the utility therefor, because of the installation of submeters or check meters or otherwise, Tenant shall pay such charges before they become due. The foregoing shall not constitute Landlord's consent to the installation of any such meters. Landlord shall have the exclusive right to designate the electric service provider to serve the Building.

Tenant covenants and agrees that its use of electric current (exclusive of HVAC) shall not exceed 8.0 watts per square foot of rentable floor area and that its total connected lighting load will not exceed the maximum load from time to time permitted by applicable governmental regulations.

EXHIBIT "H"

LIST OF ISSUING BANKS FOR LETTER OF CREDIT

1. Bank of America
2. BB&T Co.
3. Fifth Third Bank
4. Citibank
5. JPMorgan Chase Bank
6. National City Bank
7. Northern Trust Bank
8. PNC Bank
9. US Bank, N.A.
10. Wells Fargo Bank
11. Silicon Valley Bank

EXHIBIT 21.1

List of Subsidiaries of KalVista Pharmaceuticals, Inc.

Name of Subsidiary	**Jurisdiction of Incorporation or Organization**
KalVista Pharmaceuticals Limited (UK)	England and Wales

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-215185 and 333-217009 each on Form S-3 and Registration Statement Nos. 333-203721, 333-215184, 333-216032 and 333-217008 each on Form S-8 of our report dated July 27, 2017, relating to the consolidated financial statements of KalVista Pharmaceuticals, Inc. appearing in this Annual Report on Form 10-K of KalVista Pharmaceuticals, Inc. for the year ended April 30, 2017.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
July 27, 2017

EXHIBIT 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-215185 and 333-217009 each on Form S-3 and Registration Statement Nos. 333-203721, 333-215184, 333-216032 and 333-217008 each on Form S-8 of our report dated August 22, 2016 (July 27, 2017 as to the effects of the adjustment of net loss per share arising from the Carbylan transaction discussed in Note 2 and the misstatement of other comprehensive loss discussed in Note 2), relating to the financial statements of KalVista Pharmaceuticals Limited (which report expresses an unqualified opinion and includes an emphasis of matter paragraph relating to the restatement of other comprehensive loss discussed in Note 2) appearing in this Annual Report on Form 10-K of KalVista Pharmaceuticals, Inc. for the year ended April 30, 2017..

/s/ Deloitte LLP

Reading, United Kingdom
July 27, 2017

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas Andrew Crockett, certify that:

1. I have reviewed this Annual Report on Form 10-K of KalVista Pharmaceuticals, Inc.;

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

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

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

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

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

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

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

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

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

Date: July 27, 2017

By: /s/ Thomas Andrew Crockett
Thomas Andrew Crockett
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Benjamin L. Palleiko, certify that:

1. I have reviewed this Annual Report on Form 10-K of KalVista Pharmaceuticals, Inc.;

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

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

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

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

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

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

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

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

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

Date: July 27, 2017

By: /s/ Benjamin L Palleiko
Benjamin L. Palleiko
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas Andrew Crockett, Chief Executive Officer of KalVista Pharmaceuticals, Inc. (Company), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- this Annual Report on Form 10-K of the Company for the year ended April 30, 2017 (Report), as filed with the Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: July 27, 2017

By: /s/ Thomas Andrew Crockett
Thomas Andrew Crockett
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Benjamin L. Palleiko, Chief Financial Officer of KalVista Pharmaceuticals, Inc. (Company), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- this Annual Report on Form 10-K of the Company for the year ended April 30, 2017 (Report), as filed with the Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: July 27, 2017

By: /s/ Benjamin L Palleiko
Benjamin L. Palleiko
Chief Financial Officer