UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2018

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: 001-38096

G1 THERAPEUTICS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**26-3648180**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
79 T.W. Alexander Drive 4501 Research Commons, Suite 100 Research Triangle Park, NC	**27709**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (919) 213-9835

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 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 definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a small reporting company)	Small 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 ☒

As of July 31, 2018, the registrant had 33,404,535 shares of common stock, $0.0001 par value per share, outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

G1 Therapeutics, Inc.
Condensed Balance Sheets
(in thousands, except share and per share amounts)

	June 30, 2018 (unaudited)	December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	$ 188,227	$ 103,812
Prepaid expenses and other current assets	1,662	849
Total current assets	189,889	104,661
Property and equipment, net	711	510
Total assets	$ 190,600	$ 105,171
Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 3,311	$ 4,184
Accrued expenses	10,686	7,520
Total current liabilities	13,997	11,704
Other non-current liabilities	79	79
Total liabilities	14,076	11,783
Stockholders' equity		
Common stock, $0.0001 par value, 120,000,000 shares authorized as of June 30, 2018 and December 31, 2017, respectively; 33,104,431 and 28,420,511 shares issued as of June 30, 2018 and December 31, 2017, respectively; 33,077,765 and 28,393,845 shares outstanding as of June 30, 2018 and December 31, 2017, respectively	3	3
Treasury stock, 26,666 shares	(8)	(8)
Additional paid-in capital	346,926	222,511
Accumulated deficit	(170,397)	(129,118)
Total stockholders' equity	176,524	93,388
Total liabilities and equity	$ 190,600	$ 105,171

The accompanying notes are an integral part of these condensed financial statements.

G1 Therapeutics, Inc.
Condensed Statements of Operations (unaudited)
(in thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenue	$ —	$ —	$ —	$ —
Operating expenses				
Research and development	18,385	13,667	35,732	24,752
General and administrative	3,268	1,712	6,646	3,006
Total operating expenses	21,653	15,379	42,378	27,758
Operating loss	(21,653)	(15,379)	(42,378)	(27,758)
Other income (expense)				
Other income	785	185	1,099	260
Change in fair value in warrant liability and other liabilities	—	—	—	(41)
Total other income, net	785	185	1,099	219
Net loss	$ (20,868)	$ (15,194)	$ (41,279)	$ (27,539)
Accretion of redeemable convertible preferred stock	—	(289)	—	(4,757)
Net loss attributable to common stockholders	$ (20,868)	$ (15,483)	$ (41,279)	$ (32,296)
Net loss per share attributable to common stockholders, basic and diluted	$ (0.64)	$ (1.09)	$ (1.33)	$ (4.09)
Weighted average common shares outstanding, basic and diluted	32,781,921	14,208,115	31,080,650	7,887,341

The accompanying notes are an integral part of these condensed financial statements.

G1 Therapeutics, Inc.
Condensed Statements of Cash Flows (unaudited)
(amounts in thousands)

	Six Months Ended June 30,	
	2018	**2017**
Cash flows from operating activities		
Net loss	$ (41,279)	$ (27,539)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	67	32
Stock-based compensation	3,695	1,317
Increase in fair value of warrant activity	—	41
Change in operating assets and liabilities		
Prepaid expenses and other assets	(813)	(497)
Accounts payable and accrued expenses	2,054	4,629
Net cash used in operating activities	(36,276)	(22,017)
Cash flows from investing activities		
Purchases of property and equipment	(184)	(34)
Gain/loss on disposal of property and equipment	7	—
Net cash used in investing activities	(177)	(34)
Cash flows from financing activities		
Proceeds from stock options and warrants exercised	908	13
Proceeds from public offerings, net of underwriting fees and commissions	120,483	108,503
Payment of public offering costs	(523)	(1,095)
Net cash provided by financing activities	120,868	107,421
Net change in cash and cash equivalents	84,415	85,370
Cash and cash equivalents		
Beginning of period	103,812	47,305
End of period	$ 188,227	$ 132,675
Non-cash investing and financing activities		
Accretion of redeemable convertible preferred stock	—	4,757
Purchases of equipment in accounts payable and accrued expenses	91	20
Conversion of preferred stock and preferred warrants to common stock and common warrants	—	112,337
Deferred offering costs reclassified to additional paid-in capital	—	1,398
Costs for public offering in accounts payable and accrued expenses	148	303

The accompanying notes are an integral part of these condensed financial statements.

G1 Therapeutics, Inc.
Notes to financial statements
(unaudited)

1. Business Description

G1 Therapeutics, Inc. ("G1" or the "Company") is a clinical-stage biopharmaceutical company based in Research Triangle Park, North Carolina dedicated to the discovery, development and commercialization of novel small molecule therapeutics for the treatment of patients with cancer. The Company was incorporated on May 19, 2008 in the state of Delaware.

The Company's product portfolio is built on a drug discovery platform that targets key cellular pathways with proprietary medicinal chemistry. The Company's therapies are designed to enable more effective combination treatment strategies and improve outcomes for patients across multiple oncology indications. The Company's pipeline currently includes three clinical-stage product candidates: trilaciclib, lerociclib (formerly G1T38) and G1T48.

G1 has a deep expertise in cyclin-dependent kinases (CDKs), a family of proteins that plays an important role in the growth and proliferation of all human cells. The Company's research and development efforts in this area have targeted potent and selective inhibitors of the kinases CDK4 and CDK6, collectively known as CDK4/6, a validated and promising class of targets for anti-cancer therapeutics. G1 is currently advancing two CDK4/6 inhibitor product candidates in clinical development, trilaciclib and lerociclib, each of which has broad therapeutic potential in many forms of cancer and may serve as the backbone of multiple combination regimens. These compounds were discovered and synthesized by G1; the Company has retained global development and commercial rights, and has created extensive patent portfolios, for both.

Trilaciclib, the Company's most advanced clinical-stage candidate, is a potential first-in-class intravenous CDK4/6 inhibitor designed to preserve hematopoietic stem and progenitor cell (HSPC) and immune system function during chemotherapy (myelopreservation). Trilaciclib has demonstrated promising safety and efficacy in preclinical studies and is currently being evaluated in four randomized trials: two Phase 1b/2 trials in patients with small cell lung cancer, or SCLC, a Phase 2 trial in combination with the checkpoint inhibitor Tecentriq® in SCLC, and a Phase 2 trial in patients with triple-negative breast cancer, or TNBC. The Company announced positive myelopreservation results from the first-line SCLC trial in March 2018.

Lerociclib, the Company's second clinical-stage candidate, is a potential best-in-class oral CDK4/6 inhibitor, designed to be used in combination with other targeted therapies to treat multiple cancers. Preliminary Phase 1b data from a combination trial with Faslodex® in estrogen receptor-positive, HER2-negative (ER+, HER2-) breast cancer were presented in June 2018 at the American Society of Clinical Oncology (ASCO) Annual Meeting. These data showed promising safety, tolerability and anti-tumor activity when lerociclib was dosed continuously as a treatment for people with ER+, HER2- breast cancer. In April 2018, the Company announced the initiation of a Phase 1b/2 combination trial with the epidermal growth factor receptor (EGFR) inhibitor Tagrisso® in non-small cell lung cancer, or NSCLC.

In addition to these CDK 4/6 inhibitors, the Company also has global development and commercialization rights for G1T48, a potential first/best-in-class oral selective estrogen receptor degrader, or SERD, which is targeted for the treatment of ER+ breast cancers. G1 initiated a Phase 1 clinical trial with G1T48 monotherapy for the treatment of ER+, HER2- breast cancer in the second quarter of 2018. Contingent on the findings of this trial, the Company plans to initiate testing of a G1T48 / lerociclib combination trial in breast cancer in 2019. G1 believes that it is the only emerging biopharmaceutical company with a wholly owned, proprietary all-oral SERD and CDK4/6 inhibitor combination regimen.

On March 12, 2018, the Company closed an underwritten public offering of 3,910,000 shares of its common stock at a public offering price of $29.50 per share, including 510,000 shares of common stock issued upon exercise by the underwriters of their option to purchase additional shares. The gross proceeds from the offering were $115.3 million and net proceeds were $107.9 million, after deducting underwriting discounts and commissions and other offering expenses payable by the Company.

On June 15, 2018, the Company entered into a Sales Agreement for "at the market offerings" with Cowen and Company, LLC ("Cowen"), which allows G1 to issue and sell up to $125 million in gross proceeds of common stock from time to time through Cowen, acting as its agent. Between June 18, 2018 and August 2, 2018, the Company sold 752,008 shares of common stock pursuant to this agreement, resulting in $36.1 million in net proceeds, realizing $12.1 million in the second quarter and the remaining $24.0 million by August 2, 2018.

As of June 30, 2018, the Company had cash and cash equivalents of $188.2 million. The Company expects that its existing cash and cash equivalents will enable it to fund its operating expenses and capital expenditure requirements for at least 12 months. The failure

of the Company to obtain sufficient funds on acceptable terms when needed could have a material adverse effect on the Company's results of operations and financial condition.

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). In the opinion of management, the Company has made all necessary adjustments, which include normal recurring adjustments necessary for a fair statement of the Company's financial position and results of operations for the interim periods presented.

The information presented in the condensed financial statements and related notes as of June 30, 2018, and for the three and six months ended June 30, 2018 and 2017, is unaudited. The results for the three months ended June 30, 2018 are not necessarily indicative of the results expected for the full fiscal year or any future period. These interim financial statements should be read in conjunction with the financial statements and notes set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC on February 21, 2018. The December 31, 2017 condensed balance sheet included herein was derived from the audited financial statements as of that date, but does not include all disclosures, including notes, required by U.S. GAAP for complete financial statements.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. On an ongoing basis, the Company's management evaluates its estimates which include, but are not limited to, estimates related to accrued expenses, accrued external clinical costs, stock-based compensation expense and deferred tax asset valuation allowance. The Company bases its estimates on historical experience and other market specific or other relevant assumptions it believes to be reasonable under the circumstances. Actual results could differ from those estimates.

Income taxes

The Company did not record a federal or state income tax benefit for the six months ended June 30, 2018 due to its conclusion that a full valuation allowance is required against the Company's deferred tax assets.

Income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of assets and liabilities and their respective tax bases, operating loss carryforwards, and tax credit carryforwards. 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 effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Accounting for Income Taxes*, the Company reflects in the financial statements the benefit of positions taken in a previously filed tax return or expected to be taken in a future tax return only when it is considered 'more-likely-than-not' that the position taken will be sustained by a taxing authority. As of June 30, 2018 and December 31, 2017, the Company had no unrecognized income tax benefits and correspondingly there is no impact on the Company's effective income tax rate associated with these items. The Company's policy for recording interest and penalties relating to uncertain income tax positions is to record them as a component of income tax expense in the accompanying statements of operations. As of June 30, 2018 and December 31, 2017, the Company had no such accruals.

Stock-Based Compensation

The primary type of stock-based payments utilized by the Company are stock options. The Company accounts for stock-based employee compensation arrangements by measuring the cost of employee services received in exchange for all equity awards granted based on the fair value of the award on the grant date. The fair value of each employee stock option is estimated on the date of grant using an options pricing model. The Company currently uses the Black-Scholes valuation model to estimate the fair value of its share-based payments. The model requires management to make a number of assumptions including expected volatility, expected life, risk-free interest rate and expected dividends.

The Company accounts for stock-based non-employee compensation arrangements by recording the expense of such services based on the fair value of the equity instrument as estimated using the Black-Scholes pricing model. The fair value of the equity instrument is charged to operating expense over the term of the service agreement.

Recent Accounting Pronouncements

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The FASB issued ASU 2016-09 to improve U.S. GAAP by providing guidance on the cash flow statement classification of eight specific areas where there is existing diversity in practice. The FASB expects that the guidance in this ASU will reduce the current and potential future diversity in practice in such areas. This ASU is effective for annual and interim periods beginning after December 15, 2017, with early adoption permitted. The Company adopted this ASU on January 1, 2018. The adoption of this standard did not have a material impact on the Company's financial statements.

In May 2014, the FASB and the International Accounting Standards Board jointly issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in ASC 605 and most industry-specific guidance. The new standard requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. The update also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgements and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 is effective for public entities for annual and interim periods within those annual periods beginning after December 15, 2017. The Company adopted this ASU on January 1, 2018. The future impact of ASU 2014-09 will be dependent on the nature of the Company's future revenue contracts and arrangements, if any.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This guidance revises the accounting related to leases by requiring lessees to recognize a lease liability and a right-of-use asset for all leases. The new lease guidance also simplifies the accounting for sale and leaseback transactions. This ASU is effective for annual reporting periods beginning after December 15, 2018 and early adoption is permitted. The Company is currently evaluating the impact of the adoption of this ASU on the Company's financial statements.

In June 2018, the FASB issued ASU 2018-07, *Improvements to Nonemployee Share-Based Payment Accounting*. ASU 2018-07 expands the scope of Topic 718, Compensation – Stock Compensation, to include share-based payments issued to nonemployees for goods or services. Consequently, nonemployees and employees will be substantially aligned. ASU 2018-07 supersedes Subtopic 505-50, Equity – Equity-Based Payments to Non-Employees. The amendments are effective for fiscal years beginning after December 15, 2018. Early adoption is permitted, but not earlier than the adoption of Topic 606, Revenue from Contracts with Customers. The Company is evaluating the effect that this guidance will have on the financial statements and related disclosures.

3. Fair Value Measurements

The Company provides disclosure of financial assets and financial liabilities that are carried at fair value based on the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements may be classified based on the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities using the following three levels:

Level 1	Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
Level 2	Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
Level 3	Unobservable inputs that reflect the Company's estimates of the assumptions that market participants would use in pricing the asset or liability. The Company develops these inputs based on the best information available, including its own data.

The carrying amounts of cash, cash equivalents, accounts payable and accrued liabilities approximate fair value because of their short-term nature.

At June 30, 2018 and December 31, 2017 these financial instruments and respective fair values have been classified as follows (in thousands):

June 30, 2018	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)	Balance at June 30, 2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Assets				
Money market funds	$ 171,894	$ —	$ —	$ 171,894
Certificates of Deposit	15,330	—	—	15,330
Total assets at fair value:	$ 187,224	$ —	$ —	$ 187,224

December 31, 2017	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)	Balance at December 31, 2017
Assets				
Money market funds	$ 87,694	$ —	$ —	$ 87,694
Certificates of Deposit	15,203	—	—	15,203
Total assets at fair value:	$ 102,897	$ —	$ —	$ 102,897

During the three and six months ended June 30, 2018 and the year ended December 31, 2017, there were no changes in valuation methodology.

4. Property and equipment

Property and equipment consists of the following (in thousands):

	June 30, 2018	December 31, 2017
	(unaudited)	
Computer equipment	$ 175	$ 112
Laboratory equipment	363	283
Furniture and fixtures	214	174
Leasehold improvements	170	121
Construction in progress	28	1
Accumulated depreciation	(239)	(181)
Property and equipment, net	$ 711	$ 510

Depreciation expense relating to property and equipment was $35 thousand and $67 thousand for the three and six months ended June 30, 2018, respectively and $20 thousand and $32 thousand for the three and six months ended June 30, 2017, respectively.

5. Patent license agreement

On November 23, 2016, the Company entered into a license agreement with the Board of Trustees of the University of Illinois (the University), which was amended on March 24, 2017. Pursuant to the license agreement, as amended, the University licensed patent rights to the Company, with rights of sublicense, to make, have made, use, import, sell and offer for sale products covered by certain patent rights owned by the University. The rights licensed to the Company are exclusive, worldwide, non-transferable rights, for all fields of use. Under the terms of the agreement the Company paid a one-time only, non-refundable license issue fee in the amount of $0.5 million which was charged to research and development expense in the fourth quarter of 2016.

The Company is also obligated to pay annual maintenance fees to the University. All annual minimum payments are fully creditable against any royalty payments made by the Company. Under the terms of the agreement, the Company must pay the University a royalty percentage on all net sales of products and a share of sublicensing revenues. The University is eligible to receive milestone

payments of up to $2.6 million related to the initiation and execution of clinical trials and first commercial sale of a product in multiple countries. The Company is also responsible for all future patent prosecution costs.

The term of the license agreement will continue until the later of (i) the expiration of the last valid claim within the patent rights covering the product in such country, (ii) the expiration of market exclusivity in such country and (iii) the 10th anniversary of the first commercial sale in such country. The University may terminate the agreement in the event (i) the Company fails to pay any amount or make any report when required to be made and fails to cure such failure within thirty (30) days after receipt of notice from the University, (ii) is in breach of any provision of the agreement and fails to remedy such breach within forty-five (45) days after receipt of notice, (iii) makes a report to the University under the agreement that is determined to be materially false, (iv) declares insolvency or bankruptcy or (v) takes an action that causes patent rights or technical information to be subject to lien or encumbrance and fails to remedy any such breach with in forty-five (45) days of receipt of notice from the University. The Company may terminate the agreement at any time on written notice to the University at least ninety (90) days prior to the termination date specified in the notice. Upon expiration or termination of the agreement, all rights revert to the University.

6. Accrued expenses

Accrued expenses are comprised as follows (in thousands):

	June 30, 2018	December 31, 2017
	(unaudited)	
Accrued external research and professional fees	$ 1,933	$ 1,402
Accrued external clinical study costs	7,849	4,788
Accrued compensation expense	899	1,328
Deferred rent, current portion	5	2
Accrued expenses	$ 10,686	$ 7,520

7. Common Stock and Preferred Stock

Common Stock

The Company is authorized to issue 120.0 million shares of common stock. Holders of common stock are entitled to one vote per share. Holders of common stock are entitled to receive dividends, as, if and when declared by the Company's Board of Directors.

Preferred Stock

The Company is authorized to issue 5.0 million shares of undesignated preferred stock in one or more series. As of June 30, 2018, no shares of preferred stock were issued or outstanding.

Shares Reserved for Future Issuance

The Company has reserved for future issuance the following number of shares of common stock:

	June 30, 2018	December 31, 2017
	(unaudited)	
Common stock options outstanding	4,228,503	4,116,333
Options available for grant under Equity Incentive Plans	2,038,296	1,602,687
	6,266,799	5,719,020

8. Stock-based Compensation

2011 Equity Incentive Plan

In March 2011, the Company adopted the 2011 Equity Incentive Plan (the "2011 Plan"). The 2011 Plan provided for the direct award or sale of the Company's common stock and for the grant of stock options to employees, directors, officers, consultants and advisors of the Company. The 2011 Plan was subsequently amended in August 2012, October 2013, February 2015, December 2015, April

2016 and November 2016 to allow for the issuance of additional shares of common stock. In connection with the adoption of the 2017 Plan (as defined below), the 2011 Plan was terminated and no further awards will be made under the 2011 Plan.

2017 Equity Incentive Plan

In May 2017, the Company adopted the 2017 Equity Incentive Plan (the "2017 Plan"). The 2017 Plan provided for the direct award or sale of the Company's common stock and for the grant of up to 1,932,000 stock options to employees, directors, officers, consultants and advisors of the Company. The 2017 Plan provides for the grant of incentive stock options, non-statutory stock options or restricted stock. Effective January 1, 2018, and in accordance with the "evergreen" provision of the 2017 plan, an additional 1,066,692 shares were made available for issuance.

Under both the 2011 Plan and the 2017 Plan, options to purchase the Company's common stock may be granted at a price no less than the fair market value of a share of common stock on the date of grant. The fair value shall be the closing sales price for a share as quoted on any established securities exchange for such grant date or the last preceding date for which such quotation exists. Vesting terms of options issued are determined by the board of directors or compensation committee of the board. The Company's stock options vest based on terms in the stock option agreements. Stock options have a maximum term of ten years.

As of June 30, 2018, there were a total of 2,038,296 shares of common stock available for future issuance under the 2017 Plan.

Stock Option Expense

The Company recognizes compensation costs related to stock options granted to employees based on the estimated fair value of the awards on the date of grant, net of estimated forfeitures. The grant date fair value of the stock-based awards is generally recognized on a straight-line basis over the requisite service period, which is generally the vesting period of the respective awards. Share-based awards granted to non-employee directors as compensation for serving on the Company's Board of Directors are accounted for in the same manner as employee share-based compensation awards.

During the three and six months ended June 30, 2018, the Company recorded employee share-based compensation expense of $1.4 million and $2.5 million, respectively. During the three and six months ended June 30, 2017, the Company recorded employee share-based compensation expense of $0.4 million and $0.7 million, respectively.

The Company recognizes compensation costs related to stock options granted to non-employees based on the estimated fair value of the awards on the date of grant in the same manner as employees; however, the fair value of the stock options granted to non-employees is re-measured each reporting period until the service is complete, and the resulting increase or decrease in value, if any, is recognized as expense or income, respectively, during the period the related services are rendered.

During the three and six months ended June 30, 2018, the Company recorded non-employee share-based compensation expense of $0.7 million and $1.2 million, respectively. During the three and six months ended June 30, 2017, the Company recorded non-employee share-based compensation expense of $0.4 million and $0.6 million, respectively.

The Company calculates the fair value of stock options using the Black-Scholes option pricing model. The Black-Scholes option-pricing model requires the use of subjective assumptions, including the expected volatility of the Company's common stock, the assumed dividend yield, the expected term of the Company's stock options and the fair value of the underlying common stock on the date of grant.

Stock options— Black-Scholes inputs

The fair value of stock options was estimated using the following weighted-average assumptions for the three and six months ended June 30, 2018 and June 30, 2017:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(unaudited)		(unaudited)	
Expected volatility	77.0 - 86.5%	74.2 - 75.1%	74.9 - 86.5%	74.2 - 79.3%
Weighted-average risk free rate	2.8%	1.9 - 2.0%	2.3 - 2.8%	1.9 - 2.1%
Dividend yield	—%	—%	—%	—%
Expected term (in years)	5.96	6.04	6.02	6.05

The table below summarizes the stock-based compensation expense recognized in the Company's statement of operations by classification (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(unaudited)		(unaudited)	
Research and development	$ 1,364	$ 610	$ 2,427	$ 1,004
General and administrative	737	159	1,268	313
Total stock-based compensation expense	$ 2,101	$ 769	$ 3,695	$ 1,317

Stock Option Activity

Stock option activity for the six months ended June 30, 2018 is as follows:

	Options outstanding	Weighted average exercise price	Weighted average Remaining contractual life (Years)	Aggregate intrinsic value
				(in thousands)
Balance as of December 31, 2017	4,116,333	$ 4.41	7.8	$ 63,577
Cancelled	(122,367)	$ 4.28		
Granted	753,450	32.59		
Exercised	(518,913)	1.75		
Balance as of June 30, 2018	4,228,503	$ 9.76	7.8	$ 143,114
Exercisable at December 31, 2017	2,225,970	1.64	7.2	$ 40,523
Vested at December 31, 2017 and expected to vest	4,116,333	4.41	7.8	$ 63,577
Exercisable at June 30, 2018	2,126,885	1.96	6.8	$ 88,259
Vested at June 30, 2018 and expected to vest	4,228,503	9.76	7.8	$ 143,114

9. Net loss per common share

Basic net loss per common share is computed using the weighted average number of common shares outstanding during the period including nominal issuances of common stock warrants. Diluted net loss per common share is computed using the sum of the weighted average number of common shares outstanding during the period and, if dilutive, the weighted average number of potential shares of common stock, including the assumed exercise of stock options, stock warrants and unvested restricted common stock. For the three months ended June 30, 2018 and 2017 and for the six months ended June 30, 2018 and 2017 the following potentially dilutive securities have been excluded from the computations of diluted weighted-average shares outstanding because the effect would be anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(unaudited)		(unaudited)	
Stock options issued and outstanding	4,047,363	3,793,433	4,144,221	3,760,300
Stock warrants	—	20,503	—	22,960
	4,047,363	3,813,936	4,144,221	3,783,260

Amounts in the table above reflect the common stock equivalents of the noted instruments.

10. Related party transactions

The Company renewed its consulting agreement with the Chairman of the Board of Directors for scientific advisory services outside of his role on the Board of Directors through June 30, 2020.

11. Subsequent Events From July 1, 2018 through August 2, 2018, the Company utilized a Sales Agreement for "at the market offerings" with Cowen to sell 497,001 shares of common stock. The sales resulted in $24.0 million in net proceeds.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes included elsewhere in this quarterly report. This discussion and other parts of this quarterly report contain forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and intentions. As a result of many factors, including those factors set forth in the "Risk Factors" section of our annual report for the fiscal year ended December 31, 2017, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

We are a clinical-stage biopharmaceutical company focused on the discovery, development and commercialization of novel small molecule therapeutics for the treatment of patients with cancer. Our product portfolio is built on a drug discovery platform that targets key cellular pathways with proprietary medicinal chemistry. Our therapies are designed to enable more effective combination treatment strategies and improve outcomes for patients across multiple oncology indications.

Product Pipeline

Our product pipeline currently includes three clinical-stage product candidates with the potential to significantly improve the treatment of patients with cancer. Trilaciclib and lerociclib are based on our extensive understanding of cyclin-dependent kinases 4 and 6, or CDK4/6, a pair of proteins that play an important role in the growth and proliferation of certain human cells. G1T48 is a potential first-in-class oral selective estrogen receptor degrader, or SERD. Trilaciclib and lerociclib have the potential to be backbone therapy of multiple combination regimens. G1T48, as a monotherapy or in combination with CDK4/6 inhibitors such as lerociclib, may have the potential to provide a new treatment option for women with ER+ breast cancer.

We own the global rights to all our product candidates.

G1 Therapeutics Product Pipeline

Candidate	Target	MOA	Clinical Status	Global Rights
trilaciclib	CDK4/6	Intravenous CDK4/6 inhibitor Preserves HSPC and immune system function during chemotherapy (myelopreservation)	Phase 2	
lerociclib	CDK4/6	Oral CDK4/6 inhibitor Stops tumor proliferation and growth	Phase 1/2	
G1T48	Estrogen Receptor	Oral selective estrogen receptor degrader (SERD) Inhibits estrogen receptor driven tumor proliferation	Phase 1	

Our CDK4/6 Inhibitor Product Candidates

CDK4 and CDK6, collectively known as CDK4/6, are key cell signaling proteins that regulate cell growth and proliferation. The CDK4/6 pathway is critical for cell cycle regulation of both healthy normal cells and certain tumor cells, representing a validated and promising class of targets for anti-cancer therapeutics. An example of normal cells whose growth and proliferation are regulated by CDK4/6 are hematopoietic stem and progenitor cells, or HSPCs. HSPCs reside in the bone marrow and are the "reservoir" from which all blood and immune system cells are formed. Additionally, CDK4/6 plays an integral role in the growth and proliferation of certain types of tumors.

We have leveraged our deep knowledge in CDK4/6 biology to discover and develop two highly potent and selective CDK4/6 inhibitors that may have broad applicability across multiple cancer indications. We believe we are the only company with two distinct clinical-stage CDK4/6 inhibitors, trilaciclib and lerociclib, each of which has the potential to be backbone therapy of multiple combination regimens. Our two CDK4/6 inhibitors were rationally designed to treat distinct patient populations with different combination regimens.

Trilaciclib, an IV therapy, is in development for use in combination with chemotherapy and chemotherapy/checkpoint inhibitor regimens. Lerociclib is an oral therapy in development for use in combination with other targeted therapies in multiple tumor types.

Trilaciclib: our novel approach to preserve HSPCs and immune system function during chemotherapy (myelopreservation)

Trilaciclib is a potential first-in-class CDK4/6 inhibitor which we are developing to be administered intravenously prior to chemotherapy. In preclinical studies, administration of trilaciclib prior to chemotherapy has been shown to induce transient cell-cycle arrest of HSPCs, preserve HSPC and immune system function, protect against bone marrow exhaustion, improve complete blood counts (CBC) recovery, prevent myeloid skewing and consequent lymphopenia, and enhance T-cell effector function in the tumor microenvironment.

Trilaciclib is currently being evaluated in four randomized trials: two Phase 1b/2 trials (first-line and second-/third-line) in patients with small cell lung cancer, or SCLC, a Phase 2 trial in combination with Tecentriq® (atezolizumab) in first-line SCLC, and a Phase 2 trial in patients with triple-negative breast cancer, or TNBC.

In March 2018, the Company announced positive topline data from the Phase 2 portion of the first-line SCLC trial. Data from this trial demonstrated that trilaciclib reduced clinically relevant consequences of chemotherapy-induced myelosuppression versus placebo. Statistically significant results highlighted the benefit of trilaciclib in several prospectively-defined parameters, including: Grade 4 neutropenia, G-CSF usage, and chemotherapy dose reductions and delays. In addition, clinically meaningful data favored trilaciclib versus placebo, including: febrile neutropenia, Grade 3/4 anemia, and red blood cell transfusions. Trilaciclib was well tolerated, with no Grade 3/4 trilaciclib-related treatment emergent adverse events (TEAEs) reported. In addition to demonstrating myelopreservation benefits across multiple hematopoietic lineages, trilaciclib showed favorable trends versus placebo for duration of response (DOR) and progression free survival (PFS). The survival data are still immature. Based on these data, the Company has met and will continue to meet with U.S. and European regulatory authorities to discuss the development program for trilaciclib.

Preliminary data from the second-/third-line SCLC and TNBC trials are expected in the fourth quarter of 2018.

As part of our non-exclusive collaboration with Genentech, in 2017 we initiated a randomized, placebo-controlled, double-blind Phase 2 trial of trilaciclib in combination with the checkpoint inhibitor Tecentriq plus carboplatin/etoposide in first-line SCLC patients. We completed enrollment in February 2018, two quarters ahead of our original projections. There are currently approximately 300 trials of which we are aware evaluating checkpoint inhibitors in combination with chemotherapy. We believe that administering trilaciclib with chemotherapy / checkpoint inhibitor combinations may increase efficacy.

Lerociclib: Our potential best-in-class oral CDK4/6 inhibitor for multiple indications

Lerociclib is a potential best-in-class oral CDK4/6 inhibitor, being developed for use in combination with other targeted therapies to treat multiple cancers. We rationally designed lerociclib to improve upon and address the shortcomings of the approved CDK4/6 inhibitors Ibrance®, Kisqali® and Verzenio®. We believe that lerociclib has the potential to be the backbone therapy of multiple combination targeted therapy regimens. A Phase 1 trial of lerociclib in 75 healthy volunteers showed a favorable safety profile. Preliminary data from the Phase 1b portion of a combination trial with Faslodex® in ER+, HER2- breast cancer were presented in June 2018 at the American Society of Clinical Oncology (ASCO) Annual Meeting. These data showed promising safety, tolerability and efficacy when lerociclib was dosed continuously as a treatment for people with ER+, HER2- breast cancer. In April 2018, the Company announced the initiation of a Phase 1b/2 combination trial with the epidermal growth factor receptor (EGFR) inhibitor, Tagrisso®, in non-small cell lung cancer, or NSCLC.

G1T48: Our oral SERD

G1T48 is a potential best-in-class oral SERD, which we plan to develop as a single agent and in combination with lerociclib for the treatment of ER+ breast cancer. We believe we are in a unique position as the only biopharmaceutical company with a wholly owned, proprietary all-oral SERD and CDK4/6 inhibitor combination regimen, a validated approach in ER+, HER2- breast cancer. We initiated a Phase 1 clinical trial for G1T48 monotherapy for the treatment of ER+, HER2- breast cancer in the second quarter of 2018. Contingent on the findings of this trial, the Company plans to initiate a G1T48/lerociclib combination trial in breast cancer in 2019.

Financial Overview

Since our inception in 2008, we have devoted substantially all of our resources to synthesizing, acquiring, testing and developing our product candidates, including conducting preclinical studies and clinical trials and providing general and administrative support for these operations as well as securing intellectual property protection for our product candidates. We do not have any products approved for sale and have not generated any revenues from product sales. We recorded $0 of revenue for the three and six months ended June 30, 2018 and the year ended December 31, 2017. To date, we have financed our operations primarily through the sale of equity securities.

On March 12, 2018, we closed an underwritten public offering of 3,910,000 shares of common stock at a public offering price of $29.50 per share, including 510,000 shares of common stock issued upon exercise by the underwriters of their option to purchase additional shares. The gross proceeds from the offering were $115.3 million and net proceeds were $107.9 million, after deducting underwriting discounts and commissions and other offering expenses payable by us.

On June 15, 2018, the Company entered into a Sales Agreement for "at the market offerings" with Cowen, which allows G1 to issue and sell up to $125 million in gross proceeds of common stock from time to time through Cowen, acting as our agent. Between June 18, 2018 and August 2, 2018, the Company sold 752,008 shares of common stock pursuant to this agreement resulting in $36.1 million in net proceeds, realizing $12.1 million in the second quarter and the remaining $24.0 million by August 2, 2018.

As of June 30, 2018, we had an accumulated deficit of $170.4 million. Substantially all of our net losses have resulted from costs incurred in connection with our research and development programs and from general and administrative expenses associated with our operations. We expect to continue to incur significant expenses and increasing operating losses over at least the foreseeable future. We expect our expenses will increase substantially in connection with our ongoing and future activities as we:

- continue development of our product candidates, including initiating additional clinical trials of trilaciclib and lerociclib and planned initiation of clinical trials of product candidate, G1T48;
- identify and develop new 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;
- achieve market acceptance of our product candidates in the medical community and with third-party payors;
- maintain, expand and protect our intellectual property portfolio;
- hire additional personnel;
- enter into collaboration arrangements, if any, for the development of our product candidates or in-license other products and technologies;
- add operational, financial and management information systems and personnel, including personnel to support our product development and planned future commercialization efforts; and
- continue to incur increased costs as a result of operating as a public company.

License agreement with the University of Illinois

In November 2016, we entered into a license agreement with the University of Illinois, or UIC, pursuant to which we obtained an exclusive, worldwide license to make, have made, use, import, sell and offer for sale SERDs, including G1T48, covered by certain patent rights owned by UIC. The rights licensed to us are for all fields of use. Under the terms of the agreement, as amended, we paid a one-time only, non-refundable upfront fee of $0.5 million, and are required to pay UIC low single-digit royalties on all net sales of products and a share of any sublicensing revenues. We are also obligated to pay annual maintenance fees, which are fully creditable against any royalty payments made by us. We may also be required to pay UIC milestone payments of up to an aggregate of $2.6 million related to the initiation and execution of clinical trials and first commercial sale of a product in multiple countries. We are responsible for all future patent prosecution costs.

Components of our Results of Operations

Research and Development Expenses

The largest component of our total operating expenses since inception has been research and development activities, including the preclinical and clinical development of our product candidates.

Research and development costs are expensed as incurred. Our research and development expense primarily consists of:

- salaries and personnel-related costs, including bonuses, benefits and any stock-based compensation, for our scientific personnel performing or managing out-sourced research and development activities;
- costs incurred under agreements with contract research organizations and investigative sites that conduct preclinical studies and clinical trials;
- costs related to manufacturing pharmaceutical active ingredients and drug products for preclinical studies and clinical trials;
- costs related to upfront and milestone payments under in-licensing agreements;
- fees paid to consultants and other third parties who support our product candidate development;
- other costs incurred in seeking regulatory approval of our product candidates; and
- allocated facility-related costs and overhead.

The successful development of our product candidates is highly uncertain. 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. Accordingly, we expect research and development costs to increase significantly for the foreseeable future as programs progress. However, we do not believe that it is possible at this time to accurately project total program-specific expenses through commercialization. We are also unable to predict when, if ever, material net cash inflows will commence from our product candidates to offset these expenses. Our expenditures on current and future preclinical and clinical development programs are subject to numerous uncertainties in timing and cost to completion. The duration, costs and timing of clinical trials and development of our product candidates will depend on a variety of factors, including:

- the scope, rate of progress, and expenses of our ongoing as well as any additional clinical trials and other research and development activities;
- future clinical trial results;
- achievement of milestones requiring payments under our in-licensing agreements;
- uncertainties in clinical trial enrollment rates or drop-out or discontinuation rates of patients;
- potential additional studies requested by regulatory agencies;
- significant and changing government regulation; and
- the timing and receipt of any regulatory approvals.

We report research and development expenses on a program-by-program basis only for clinical-stage product candidates. Preclinical research and development expenses and chemical manufacturing research and development expenses are not assigned or allocated to individual development programs. We currently have three clinical-stage product candidates, trilaciclib, lerociclib and G1T48.

General and administrative expenses

General and administrative expenses consist of personnel costs, allocated expenses and other expenses for outside professional services, including legal, audit and accounting services. Personnel costs consist of salaries, bonuses, benefits and stock-based compensation. Other general and administrative expenses include facility-related costs not otherwise allocated to research and development expense, professional fees, expenses associated with obtaining and maintaining patents and costs of our information systems. We anticipate that our general and administrative expenses will continue to increase in the future as we increase our headcount to support our continued research and development and potential commercialization of our product candidates.

We also have incurred and expect to continue to incur additional expenses as a public company, including expenses related to compliance with the rules and regulations of the SEC and Nasdaq, additional insurance expenses, and expenses related to investor relations activities and other administration and professional services.

Total other income, net

Total other income, net consists of interest income earned on cash and cash equivalents and the change in fair value of warrant liabilities and other liabilities.

Results of operations

Comparison of the three months ended June 30, 2018 and June 30, 2017

	Three Months Ended June 30,		Change
	2018	2017	$
	(in thousands)		
Revenue	$ —	$ —	$ —
Operating Expenses:			
Research and Development	18,385	13,667	4,718
General and Administrative	3,268	1,712	1,556
Total Operating Expenses	21,653	15,379	6,274
Loss from Operations	(21,653)	(15,379)	(6,274)
Other Income	785	185	600
Net Loss	$ (20,868)	$ (15,194)	$ (5,674)

Revenue

Revenue was $0 for the three months ended June 30, 2018 and June 30, 2017.

Research and development

Research and development expenses were $18.4 million for the three months ended June 30, 2018 compared to $13.7 million for the three months ended June 30, 2017. The increase of $4.7 million, or 35% was primarily due to an increase of $4.0 million in our clinical program costs, which reflects increased costs in our ongoing clinical trials, our Phase 1b/2 trial of lerociclib in NSCLC initiated in April 2018 and our Phase 1 trial of G1T48 in ER+, HER2- breast cancer initiated in the second quarter of 2018, as well as increased headcount related expense to support these trials. The additional increase in overall research and development expenses was primarily due to an increase in costs for manufacturing of pharmaceutical active ingredient and drug product to support our clinical trials. The following table summarizes our research and development expenses allocated to trilaciclib, lerociclib and G1T48, and unallocated research and development expenses for the periods indicated:

	Three Months Ended June 30,	
	2018	2017
	(in thousands)	
Clinical Expenses—trilaciclib	$ 9,619	$ 7,497
Clinical Expenses—lerociclib	2,005	796
Clinical Expenses—G1T48	703	—
Chemical Manufacturing and Development	4,091	2,943
Discovery and Pre-Clinical Expenses	1,967	2,431
Total Research and Development Expenses	$ 18,385	$ 13,667

General and administrative

General and administrative expenses were $3.3 million for the three months ended June 30, 2018 compared to $1.7 million for the three months ended June 30, 2017. The increase of $1.6 million, or 91% was due to an increase of $1.2 million in personnel costs due to increased headcount and non-cash stock option expense charges, an increase of $0.3 million in other expenses including facility-related costs and an increase of $0.1 million of professional fees.

Total other income, net

Total other income, net was $0.8 million for the three months ended June 30, 2018 as compared to $0.2 million for the three months ended June 30, 2017. The increase of $0.6 million was due to additional interest income earned on a higher balance of money market funds during the three months ended June 30, 2018 as compared to the three months ended June 30, 2017.

Results of operations

Comparison of the six months ended June 30, 2018 and 2017

Revenue

Revenue was $0 for the six months ended June 30, 2018 and 2017.

	Six Months Ended June 30,		Change
	2018	2017	$
	(in thousands)		
Revenue	$ —	$ —	$ —
Operating Expenses:			
Research and Development	35,732	24,752	10,980
General and Administrative	6,646	3,006	3,640
Total Operating Expenses	42,378	27,758	14,620
Loss from Operations	(42,378)	(27,758)	(14,620)
Other Income	1,099	219	880
Net Loss	$ (41,279)	$ (27,539)	$ (13,740)

Research and development

Research and development expenses were $35.7 million for the six months ended June 30, 2018 compared to $24.8 million for the six months ended June 30, 2017. The increase of $11.0 million, or 44% was primarily due to an increase of $7.9 million in our clinical program costs, which reflects increased costs in our ongoing clinical trials, start-up costs for our Phase 1b/2 trial of lerociclib in NSCLC initiated in April 2018 and our Phase 1 trial of G1T48 in ER+, HER2- breast cancer initiated in the second quarter of 2018, as well as increased headcount related expense to support these trials. The additional increase in overall research and development expenses was primarily due to an increase in costs for manufacturing of pharmaceutical active ingredient and drug product to support our clinical trials. The following table summarizes our research and development expenses allocated to trilaciclib, lerociclib and G1T48, and unallocated research and development expenses for the periods indicated:

	Six Months Ended June 30,	
	2018	2017
	(in thousands)	
Clinical Expenses—trilaciclib	$ 17,371	$ 13,056
Clinical Expenses—lerociclib	4,115	1,720
Clinical Expenses—G1T48	1,191	-
Chemical Manufacturing and Development	9,459	5,976
Discovery and Pre-clinical Expenses	3,596	4,000
Total Research and Development Expenses	$ 35,732	$ 24,752

General and administrative

General and administrative expenses were $6.6 million for the six months ended June 30, 2018 compared to $3.0 million for the six months ended June 30, 2017. The increase of $3.6 million, or 121% was due to an increase of $2.3 million in personnel costs due to increased headcount and non-cash stock option expense charges, an increase of $0.8 million of professional fees and an increase of $0.5 million in other expenses including facility-related costs.

Total other income, net

Total other income, net was $1.1 million for the six months ended June 30, 2018 as compared to $0.2 million for the six months ended June 30, 2017. The increase of $0.9 million was primarily due to additional interest income earned on a higher balance of money market funds during the six months ended June 30, 2018 as compared to the six months ended June 30, 2017.

Liquidity and capital resources

We have incurred cumulative losses and negative cash flows from operations since our inception in 2008. As of June 30, 2018, we had an accumulated deficit of $170.4 million. We do not expect to generate substantial revenue from the commercial sale of our products in the foreseeable future and anticipate that we will continue to incur losses.

We have funded our operations through June 30, 2018 primarily through gross proceeds from private placements of our convertible preferred stock of $95.8 million and $227.1 million in net proceeds from our public offerings of our common stock. As of June 30, 2018, we had cash and cash equivalents of $188.2 million.

Cash flows

The following table summarizes our cash flows for the periods indicated:

	Six Months Ended June 30,		Change
	2018	2017	$
	(in thousands)		
Net cash used in operating activities	$ (36,276)	$ (22,017)	$ (14,259)
Net cash used in investing activities	(177)	(34)	(143)
Net cash provided by financing activities	120,868	107,421	13,447
Net increase in cash and cash equivalents	$ 84,415	$ 85,370	$ (955)

Net cash used in operating activities

During the six months ended June 30, 2018, net cash used in operating activities was $36.3 million which consisted primarily of a net loss of $41.3 million, partially offset by non-cash stock compensation expense of $3.7 million, working capital adjustments of $1.2 million and $0.1 million of depreciation expense.

During the six months ended June 30, 2017, net cash used in operating activities was $22.0 million, which consisted primarily of a net loss of $27.5 million and $0.5 million increase in prepaid expenses, partially offset by an increase in accounts payable and accrued expenses of $4.6 million, non-cash stock compensation expense of $1.3 million and $0.1 million of other working capital adjustments.

The increase in net cash used in operating activities of $14.3 million was primarily due to an increase in research and development activity during the period.

Net cash used in investing activities

Net cash used in investing activities was $0.2 million for the six months ended June 30, 2018 and $0 million for the six months ended June 30, 2017. The increase in cash used was due to increased purchases of property and equipment.

Net cash provided by financing activities

During the six months ended June 30, 2018, net cash provided by financing activities was $120.9 million, consisting of $120.0 million in net proceeds from our public offerings, after deducting cash paid in the quarter for underwriting discounts and commissions and other expenses and $0.9 million in proceeds from exercise of stock options.

During the six months ended June 30, 2017, net cash provided by financing activities was $107.4 million, consisting primarily of $107.1 million in net proceeds from our initial public offering after deducting underwriting discounts and commissions and other expenses payable by us. $0.3 million of the offering expenses were not settled until the third quarter.

Shelf registration statement

As of June 15, 2018, we had an effective shelf registration statement on file with the Securities and Exchange Commission. Each issuance under the shelf registration statement will require the filing of a prospectus supplement identifying the amount and terms of securities to be issued. The registration statement does not limit the amount of securities that may be issued thereunder. Our ability to issue securities is subject to market conditions and other factors.

At-the-market offering

On June 15, 2018, we entered into a Sales Agreement for “at the market offerings” with Cowen, under which we are able to issue and sell shares of our common stock pursuant to a shelf registration statement for total gross sales proceeds of $125 million. Through August 2, 2018, we sold 752,008 shares of our common stock for net proceeds of $36.1 million.

Operating capital requirements and plan of operations

To date, we have not generated any revenue from product sales. We do not know when, or if, we will generate any revenue from product sales. We do not expect to generate significant revenue from product sales unless and until we obtain regulatory approval of and commercialize one of our current or future product candidates. We anticipate that we will continue to generate losses for the foreseeable future, and we expect the losses to increase as we continue the development of and seek regulatory approvals for our product candidates, and begin to commercialize any approved products. We are subject to all of the risks inherent in the development of new products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. We expect to continue to incur additional costs associated with operating as a public company and we anticipate that we will need substantial additional funding in connection with our continuing operations.

We believe that our existing cash and cash equivalents will be sufficient to fund our projected cash needs for at least the next 12 months. In order to complete the process of obtaining regulatory approval for our product candidates and to build the sales, marketing and distribution infrastructure that we believe will be necessary to commercialize our product candidates, if approved, we will require substantial additional funding.

We have based our projections of operating capital requirements on assumptions that may prove to be incorrect and we may use all of our available capital resources sooner than we expect. Because of the numerous risks and uncertainties associated with research, development and commercialization of pharmaceutical products, we are unable to estimate the exact amount of our operating capital requirements. Our future funding requirements will depend on many factors, including, but not limited to:

- the scope, progress, results and costs of nonclinical development, laboratory testing and clinical trials for our product candidates;
- the scope, prioritization and number of our research and development programs;
- the costs, timing and outcome of regulatory review of our product candidates;
- the extent to which we enter into non-exclusive, jointly funded clinical research collaboration arrangements, if any, for the development of our product candidates in combination with other companies' products;
- our ability to establish such collaborative co-development arrangements on favorable terms, if at all;
- the achievement of milestones or occurrence of other developments that trigger payments under our license agreement and any collaboration agreements into which we enter;
- the extent to which we are obligated to reimburse, or entitled to reimbursement of, clinical trial costs under future collaboration agreements, if any;
- the extent to which we acquire or in-license product candidates and technologies, such as G1T48, and the terms of such in-licenses;
- the costs of future commercialization activities, including product sales, marketing, manufacturing and distribution, for any of our product candidates for which we receive marketing approval;
- revenue, if any, received from commercial sales of our product candidates, should any of our product candidates receive marketing approval; and
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims.

Until such time, if ever, as we can generate substantial revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, other third-party funding, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements. We do not have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise funds through additional collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Contractual obligations, commitments and contingencies

In January 2018, we signed an amendment to lease additional office space in the same building as our existing office space. Payments on the additional space begin in July 2018 and continue until the lease expires on December 31, 2022.

Off-Balance sheet arrangements

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

JOBS Act: emerging growth company status

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act, or JOBS Act. Based on our public float as of June 30, 2018, we currently expect that we will become a large accelerated filer, and cease to be an emerging growth company, as of December 31, 2018. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have irrevocably elected to not take advantage of the extended transition period afforded by the JOBS Act for the implementation of new or revised accounting standards and, as a result, will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies.

For so long as we are an emerging growth company we expect that:

- we will avail ourselves of the exemption from the requirement to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- we will avail ourselves of the exemption from the requirement to obtain an attestation and report from our auditors on the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act; and
- we will provide less extensive disclosure about our executive compensation arrangements.

We will remain an emerging growth company for up to five years, although we will cease to be an "emerging growth company" upon the earliest of: (1) the last day of the fiscal year following the fifth anniversary of our IPO, (2) the last day of the first fiscal year in which our annual revenues are $1.07 billion or more, (3) the date on which we have, during the previous rolling three-year period, issued more than $1 billion in non-convertible debt securities, and (4) the date on which we are deemed to be a "large accelerated filer" as defined in the Exchange Act.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate sensitivities, which is affected by changes in the general level of U.S. interest rates. We had cash and cash equivalents of $188.2 million as of June 30, 2018, which consists of deposits in banks, including checking accounts, money market accounts and certificates of deposit. Such interest-earning instruments carry a degree of interest rate risk; however, historical fluctuations in interest income have not been significant. Due to the short-term nature of our cash equivalents, a sudden change in interest rates would not be expected to have a material effect on our business, financial condition or results of operations. We had no outstanding debt as of June 30, 2018.

We are not currently exposed to significant market risk related to changes in foreign currency exchange rates; however, our operations may be subject to fluctuations in foreign currency exchange rates in the future.

Inflation generally affects us by increasing our cost of labor. We do not believe that inflation had a material effect on our business financial condition or results of operations during the three or six months ended June 30, 2018.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2018. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, or the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the 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 Securities and Exchange Commission'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, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our 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 June 30, 2018, our principal executive officer and our principal financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

PART II—OTHER INFORMATION

Item 1A. Risk Factors.

Investing in our common stock involves a high degree of risk. In addition to the other information contained elsewhere in this report, you should carefully consider the risks and uncertainties described in our Annual Report on Form 10-K for the year ended December 31, 2017, which could materially affect our business, financial condition or future results before investing in our common stock. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that affect us. If any of these risks occur, our business, operating results and prospects could be materially harmed. In that event, the price of our common stock could decline, and you could lose part or all of your investment. There have been no material changes in the risk factors set forth in Part II, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2017.

Item 6. Exhibits.

Exhibit Number	Description
10.1	Sales Agreement by and between the Registrant and Cowen and Company, LLC, dated as of June 15, 2018, filed as Exhibit 1.2 to the Registrant's Registration Statement on Form S-3 filed on June 15, 2018 (File No. 333-225678), and incorporated herein by reference.
10.2*†	Employment Agreement by and between the Registrant and James S Hanson, dated as of June 25, 2018.
10.3*†	Employment Agreement by and between the Registrant and John Demaree, dated as of July 3, 2018.
10.4*†	Amended and Restated 2017 Employee, Director and Consultant Equity Plan.
10.5*†	Advisory Board Members Agreement, by and between the Registrant and Seth A. Rudnick, M.D., dated July 27, 2018.
31.1*	Certification of Principal Executive Officer 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.
31.2*	Certification of Principal Financial Officer 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.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

† Indicates management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

G1 Therapeutics, Inc.
(Registrant)

Date: August 8, 2018

By: /s/ Barclay A. Phillips
Barclay A. Phillips
Chief Financial Officer and Senior Vice President of Corporate Development (Principal Financial Officer)

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "**Agreement**"), is made and entered into effective as of June 25, 2018 (the "**Effective Date**"), by and between G1 Therapeutics, Inc., a Delaware corporation (the "**Company**"), and James Stillman Hanson ("**Employee**").

1. EMPLOYMENT; DUTIES. The Company agrees to employ Employee as its General Counsel, and Employee agrees to accept such employment upon the terms and conditions hereinafter set forth. Employee will perform such services for the Company as are customarily associated with such position and as may otherwise be assigned to the Employee from time to time by the Company's Chief Executive Officer or his designee. Employee will devote Employee's full business time and attention to the business and affairs of the Company, and will perform Employee's duties diligently and to the best of Employee's ability, in compliance with the Company's policies and procedures and the laws and regulations that apply to the Company's business.

2. TERM; TERMINATION. Employee's employment under this Agreement will commence as of the Effective Date and will continue until terminated by either party. Employee's employment with the Company is at-will, and either party can terminate the employment relationship and/or this Agreement at any time, for any or no cause or reason, and with or without prior notice, subject to the applicable terms of Section 4. Upon termination of Employee's employment by either party for any reason, Employee will resign Employee's position(s), if any, as an officer or director of the Company, as a member of the Company's Board of Directors (the "**Board**") and any Board committees, as well as any other positions Employee may hold with or for the benefit of the Company and/or its affiliates.

3. COMPENSATION. As compensation for the services to be rendered by Employee under this Agreement, the Company will provide the following compensation and benefits during Employee's employment hereunder.

(a) BASE SALARY. The Company will pay Employee a base salary (the "**Base Salary**") at an annual rate of Three Hundred and Twenty-Five Thousand Dollars ($325,000), payable in equal installments in accordance with the Company's customary payroll practices as in effect from time to time. The Base Salary may be reviewed from time to time by the Company and may be increased in the sole discretion of the Company. The Base Salary may also be decreased in connection with any Company-wide decrease in executive compensation.

(b) ANNUAL BONUS. Employee will be eligible to receive an annual calendar year bonus based upon Employee's and the Company's achievement of certain individual and Company goals that will be set for Employee by the Board or its designee (the "**Annual Bonus**"). The amount of the target Annual Bonus will be equal to thirty-five percent (35%) of Employee's then-current Base Salary as of the date of the payment; provided that the actual amount of the Annual Bonus may be greater or less than such target amount. The Board or its designee will have the sole discretion to set the applicable individual and Company goals, to determine whether the goals have been met, and to determine the amount of the Annual Bonus. The Annual Bonus for any given year will be paid between January 1 and January 31 in the year immediately following the year in which the Annual Bonus, if any, is earned. Employee must be

employed by the Company on December 31 of the bonus year in order to receive the Annual Bonus for that year.

(c) STOCK OPTIONS. Subject to approval by the Board, effective on June 25, 2018, Employee will be granted stock options to purchase 140,000 shares of the Company's common stock (the "**Options**") at a per share exercise price equal to the Fair Market Value (as defined in the Company's 2017 Equity Incentive Plan) of the Company's common stock on the date of grant. The Options will be, to the maximum extent permissible, treated as "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code and the rules and regulations thereunder. The Options will be granted pursuant to and subject to the terms and conditions of the Company's 2017 Equity Incentive Plan and will be further subject to the terms of a stock option agreement as approved by the Board setting forth the exercise price, vesting conditions and other restrictions. One fourth (1/4th) of the total number of such Options will vest on the first anniversary of the date hereof, and one forty-eighth (1/48th) of the total number of Options will vest each month over the following thirty-six (36) months thereafter, so long as Employee remains employed by the Company through each such vesting date. Fifty percent (50%) of any unvested Options will vest immediately prior to, and subject to, the consummation of a Change in Control (as defined below) and, subject to Employee's execution of the release of claims described in Section 4(b), any remaining unvested Options will immediately vest if Employee's employment is terminated by the Company without Cause (as defined below) or Employee resigns with Good Reason (as defined below) within ninety (90) days following a Change in Control. A "**Change in Control**" means (i) the Company's merger or consolidation with or into another entity such that the stockholders of the Company prior to such transaction do not or are not expected to own a majority of the voting stock of the surviving entity, (ii) the sale or other disposition of all or substantially all of the assets of the Company, or (iii) the sale or other disposition of greater than fifty percent (50%) of the then-outstanding voting stock of the Company by the holders thereof to one or more persons or entities who are not then stockholders of the Company.

(d) VACATION. Employee will be eligible for paid vacation time off in accordance with, and subject to, the Company's policies and procedures in effect from time to time.

(e) BENEFITS. Employee will (subject to applicable eligibility requirements) receive such other benefits as are provided from time to time to other similarly-situated employees of the Company pursuant to the Company's policies and procedures as they may be instituted from time to time. All such benefits are subject to the provisions of their respective plan documents in accordance with their terms. Employee acknowledges and agrees that the Company has the unilateral right to amend, modify or terminate its employee benefit plans or policies to the maximum extent allowed by law.

(f) EXPENSE REIMBURSEMENT. The Company will reimburse Employee for all reasonable business expenses incurred by Employee in connection with the performance of Employee's duties hereunder, subject to Employee's compliance with the Company's reimbursement policies in effect from time to time. All reimbursements provided under this Agreement will be made or provided in accordance with the requirements of Section 409A of the

Internal Revenue Code and the rules and regulations thereunder including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during Employee's lifetime (or during a shorter period of time specified in this Agreement); (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year; (iii) the reimbursement of an eligible expense shall be made no later than the last day of the calendar year following the year in which the expense is incurred; and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit.

(g) WITHHOLDINGS. The Company will withhold from any amounts payable under this Agreement, such federal, state and local taxes, as the Company reasonably determines are required to be withheld pursuant to applicable law.

4. EFFECT OF TERMINATION.

(a) GENERALLY. When Employee's employment with the Company is terminated for any reason, Employee, or Employee's estate, as the case may be, will be entitled to receive the compensation and benefits earned through the effective date of termination, along with reimbursement for any approved business expenses that Employee has timely submitted for reimbursement in accordance with the Company's expense reimbursement policy or practice.

(b) SEPARATION BENEFIT UPON CERTAIN TERMINATIONS. If the Company terminates Employee's employment without Cause (as defined below), or if Employee resigns Employee's employment for Good Reason (as defined below), then conditioned upon Employee executing a Release (as defined below) following such termination, Employee will be entitled to receive an amount equal to payment of Employee's then-current Base Salary for a period of twelve (12) months (the "**Separation Benefit**"). The Separation Benefit is conditioned upon Employee executing a release of claims in a form satisfactory to the Company (the "**Release**") within the time specified therein, which Release is not revoked within any time period allowed for revocation under applicable law. The Separation Benefit will be payable to Employee over time in accordance with the Company's payroll practices and procedures beginning on the sixtieth (60th) day following the termination of Employee's employment with the Company, provided that the Company, in its sole discretion, may begin the payments earlier. For avoidance of doubt, the termination of Employee's employment as a result of Employee's death or disability (meaning the inability of Employee, due to the condition of Employee's physical, mental or emotional health, effectively to perform the essential functions of Employee's job with or without reasonable accommodation for a continuous period of more than 90 days or for 90 days in any period of 180 consecutive days, as determined by the Board in its sole discretion in consultation with a physician retained by the Company) will not constitute a termination without Cause triggering the rights described in this Section 4(b).

(c) CAUSE. For purposes of this Agreement, "**Cause**" means: (i) Employee's fraud, embezzlement or misappropriation with respect to the Company; (ii) Employee's material breach of fiduciary duties to the Company; (iii) Employee's willful or negligent misconduct; (iv) Employee's material breach of this Agreement; (v) Employee's willful failure or refusal to perform Employee's material duties under this Agreement or failure

to follow any specific lawful instructions of the Company; (vi) Employee's conviction or plea of nolo contendere in respect of a felony or of a misdemeanor involving moral turpitude; (vii) Employee's alcohol or substance abuse which has a material adverse effect on Employee's ability to perform Employee's duties under this Agreement; or (viii) Employee's engagement in a form of discrimination or harassment prohibited by law (including, without limitation, discrimination or harassment based on race, color, religion, sex, national origin, age or disability). In the event that the Company concludes that Employee has engaged in acts constituting Cause as defined in clause (iii), (iv), (v), or (vii) above, prior to terminating this Agreement for Cause the Company will provide Employee with at least fifteen (15) days' advance written notice of the specific circumstances constituting such Cause, and an opportunity to correct such circumstances.

(d) GOOD REASON. In order for Employee to resign for Good Reason, Employee must provide written notice to the Company of the existence of the Good Reason condition within thirty (30) days of the initial existence of such Good Reason condition. Upon receipt of such notice, the Company will have thirty (30) days during which it may remedy the Good Reason condition and not be required to provide for the benefits described in Section 4(b) above as a result of such proposed resignation if successfully remedied. If the Good Reason condition is not remedied within such thirty (30) day period, Employee may resign based on the Good Reason condition specified in the notice effective no later than thirty (30) days following the expiration of the thirty (30) day cure period. For purposes of this Agreement, "**Good Reason**" means the occurrence of any of the following events without Employee's consent: (i) a material reduction of Employee's Base Salary not generally applicable to other executive-level employees of the Company, (ii) a material diminution of the Employee's authority, duties, or responsibilities, (iii) a relocation of Employee's primary workplace to a location that is more than fifty (50) miles from the location of Employee's primary workplace as of the date hereof, or (iv) the Company's material breach of this Agreement.

(e) APPLICATION OF INTERNAL REVENUE CODE SECTION 409A. Notwithstanding anything to the contrary set forth herein, any payments and benefits provided under this Section 4 that constitute "deferred compensation" within the meaning of Section 409A of the Internal Revenue Code and the regulations and other guidance thereunder and any state law of similar effect (collectively "Section 409A") will not commence in connection with Employee's termination of employment unless and until Employee has also incurred a "separation from service" (as such term is defined in Treasury Regulation Section 1.409A-1(h) (a "**Separation From Service**"), unless the Company reasonably determines that such amounts may be provided to Employee without causing Employee to incur an additional tax under Section 409A. The parties intend that each installment of the Separation Benefits payments provided for in this Agreement is a separate "payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2)(i). For the avoidance of doubt, the parties intend that payments of the Separation Benefits set forth in this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Section 409A provided under Treasury Regulation Sections 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9). However, if the Company determines that the Separation Benefits constitute "deferred compensation" under Section 409A and Employee is, on the termination of service, a "specified employee" of the Company or any successor entity thereto, as such term is defined in Section 409A, then, solely to the extent necessary to avoid the incurrence of the adverse personal tax consequences under Section 409A, the timing of the

Separation Benefits payments will be delayed until the earlier to occur of: (i) the date that is six months and one day after Employee's Separation From Service, or (ii) the date of Employee's death (such applicable date, the "**Specified Employee Initial Payment Date**"), the Company (or the successor entity thereto, as applicable) will (A) pay to Employee a lump sum amount equal to the sum of the Separation Benefits payments that Employee would otherwise have received through the Specified Employee Initial Payment Date if the commencement of the payment of the Separation Benefits had not been so delayed pursuant to this Section and (B) commence paying the balance of the Separation Benefits in accordance with the applicable payment schedules set forth in this Agreement.

(f) NO FURTHER OBLIGATIONS. Except as expressly provided above or as otherwise required by law, the Company will have no obligations to Employee in the event of the termination of this Agreement for any reason.

5. EMPLOYEE REPRESENTATIONS. Employee represents and warrants that Employee is not obligated or restricted under any agreement (including any non-competition or confidentiality agreement), judgment, decree, order or other restraint of any kind that could impair Employee's ability to perform the duties and obligations required of Employee hereunder. Employee further agrees that Employee will not divulge to the Company any confidential information and/or trade secrets belonging to others, including Employee's former employers, nor will the Company seek to elicit from Employee such information. Consistent with the foregoing, Employee will not provide to the Company, and the Company will not request, any documents or copies of documents containing such information.

6. NOTICES. Any notice required to be given hereunder will be sufficient if in writing and hand delivered or sent by mail, return receipt requested, postage prepaid, in the case of Employee, to Employee's address shown on the Company's records, and in the case of the Company, to 79 T.W. Alexander Drive, 4501 Research Commons, Suite 100, Research Triangle Park, NC 27709, or to such other addresses as either party shall specify to the other.

7. AMENDMENT; WAIVER. No amendment of any provision of this Agreement will be valid unless the amendment is in writing and signed by the Company and Employee. No waiver of any provision of this Agreement will be valid unless the waiver is in writing and signed by the waiving party. The failure of a party at any time to require performance of any provision of this Agreement will not affect such party's rights at a later time to enforce such provision. No waiver by a party of any breach of this Agreement will be deemed to extend to any other breach hereunder or affect in any way any rights arising by virtue of any other breach.

8. GOVERNING LAW; VENUE. This Agreement will be governed by and construed in accordance with the laws of the State of North Carolina, without regard to that body of law known as choice of law. The parties agree that any litigation arising out of or related to this Agreement or Employee's employment by the Company will be brought exclusively in any state or federal court in Durham County, North Carolina. Each party (i) consents to the personal jurisdiction of said courts, (ii) waives any venue or inconvenient forum defense to any proceeding maintained in such courts, and (iii) agrees not to bring any proceeding arising out of or relating to this Agreement or Employee's employment by the Company in any other court.

9. BENEFIT. This Agreement will be binding upon and will inure to the benefit of each of the parties hereto, and to their respective heirs, representatives, successors and permitted assigns. Employee may not assign any of Employee's rights or delegate any of Employee's duties under this Agreement.

10. ENTIRE AGREEMENT; OTHER AGREEMENTS. This Agreement contains the entire agreement and understanding by and between the Company and Employee with respect to the subject matter hereof, and any representations, promises, agreements or understandings, written or oral, not herein contained will be of no force or effect; provided, however, that Employee is also subject to the terms and conditions of (i) that certain Employee Non-Competition and Non-Solicitation Agreement by and between Employee and the Company, and (ii) that certain Employee Confidentiality and Inventions Agreement by and between Employee and the Company, each of which remains in full force and effect.

11. CAPTIONS; RULE OF CONSTRUCTION. The captions in this Agreement are for convenience only and in no way define, bind or describe the scope or intent of this Agreement. The terms and provisions of this Agreement will not be construed against the drafter or drafters hereof. All parties hereto agree that the language of this Agreement will be construed as a whole according to its fair meaning and not strictly for or against any of the parties hereto.

12. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same agreement. Facsimile or PDF reproductions of original signatures will be deemed binding for the purpose of the execution of this Agreement.

13. SEVERABILITY. Each provision of this Agreement is severable from every other provision of this Agreement. Any provision of this Agreement that is determined by any court of competent jurisdiction to be invalid or unenforceable will not affect the validity or enforceability of any other provision. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

14. SURVIVAL. The terms of Sections 4 through 14 will survive the termination or expiration of this Agreement for any reason.

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the Effective Date.

G1 THERAPEUTICS, INC.

By: */s/Mark Velleca*
Name: Mark Velleca
Title: CEO

EMPLOYEE:

/s/ James Stillman Hanson
James Stillman Hanson

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "**Agreement**"), is made and entered into effective as of July 3, 2018 (the "**Effective Date**"), by and between G1 Therapeutics, Inc., a Delaware corporation (the "**Company**"), and John Demaree ("**Employee**").

1. EMPLOYMENT; DUTIES. The Company agrees to employ Employee as its Chief Commercial Officer, and Employee agrees to accept such employment upon the terms and conditions hereinafter set forth. Employee will perform such services for the Company as are customarily associated with such position and as may otherwise be assigned to the Employee from time to time by the Company's Chief Executive Officer or his designee. Employee will devote Employee's full business time and attention to the business and affairs of the Company, and will perform Employee's duties diligently and to the best of Employee's ability, in compliance with the Company's policies and procedures and the laws and regulations that apply to the Company's business.

2. TERM; TERMINATION. Employee's employment under this Agreement will commence as of the Effective Date and will continue until terminated by either party. Employee's employment with the Company is at-will, and either party can terminate the employment relationship and/or this Agreement at any time, for any or no cause or reason, and with or without prior notice, subject to the applicable terms of Section 4. Upon termination of Employee's employment by either party for any reason, Employee will resign Employee's position(s), if any, as an officer or director of the Company, as a member of the Company's Board of Directors (the "**Board**") and any Board committees, as well as any other positions Employee may hold with or for the benefit of the Company and/or its affiliates.

3. COMPENSATION. As compensation for the services to be rendered by Employee under this Agreement, the Company will provide the following compensation and benefits during Employee's employment hereunder.

(a) BASE SALARY. The Company will pay Employee a base salary (the "**Base Salary**") at an annual rate of Three Hundred and Seventy-Five Thousand Dollars ($375,000), payable in equal installments in accordance with the Company's customary payroll practices as in effect from time to time. The Base Salary may be reviewed from time to time by the Company and may be increased in the sole discretion of the Company. The Base Salary may also be decreased in connection with any Company-wide decrease in executive compensation.

(b) ANNUAL BONUS. Employee will be eligible to receive an annual calendar year bonus based upon Employee's and the Company's achievement of certain individual and Company goals that will be set for Employee by the Board or its designee (the "**Annual Bonus**"). The amount of the target Annual Bonus will be equal to thirty-five percent (35%) of Employee's then-current Base Salary as of the date of the payment; provided that the actual amount of the Annual Bonus may be greater or less than such target amount. The Board or its designee will have the sole discretion to set the applicable individual and Company goals, to determine whether the goals have been met, and to determine the amount of the Annual Bonus. The Annual Bonus for any given year will be paid between January 1 and January 31 in the year immediately following the year in which the Annual Bonus, if any, is earned. Employee must be

employed by the Company on December 31 of the bonus year in order to receive the Annual Bonus for that year. The Company agrees the Employee will be eligible for a full 2018 annual bonus, provided that: (i) Employee must deliver an approved go-to-market commercialization strategy and plan for Trilaciclib prior to November 30, 2018.

(c) STOCK OPTIONS. Subject to approval by the Board on July 3, 2018, Employee will be (or has been) granted stock options to purchase 225,000 shares of the Company's common stock (the "**Options**") at a per share exercise price equal to the Fair Market Value (as defined in the Company's 2017 Equity Incentive Plan) of the Company's common stock on the date of grant. The Options will be, to the maximum extent permissible, treated as "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code and the rules and regulations thereunder. The Options will be granted pursuant to and subject to the terms and conditions of the Company's 2017 Equity Incentive Plan and will be further subject to the terms of a stock option agreement as approved by the Board setting forth the exercise price, vesting conditions and other restrictions. One fourth of the total number of such Options will vest on the first anniversary of the date hereof, and one forty eighth (1/48th) of the total number of Options will vest each month over the following thirty-six (36) months thereafter, so long as Employee remains employed by the Company through each such vesting date. Fifty Percent (50%) of any unvested Options will vest immediately prior to, and subject to, the consummation of a Change in Control (as defined below) and, subject to Employee's execution of the release of claims described in Section 4(b), any remaining unvested Options will immediately vest if Employee's employment is terminated by the Company without Cause (as defined below) or Employee resigns with Good Reason (as defined below) within ninety (90) days following a Change in Control. A **"Change in Control**" means (i) the Company's merger or consolidation with or into another entity such that the stockholders of the Company prior to such transaction do not or are not expected to own a majority of the voting stock of the surviving entity, (ii) the sale or other disposition of all or substantially all of the assets of the Company, (iii) the sale or other disposition of greater than 50% of the then-outstanding voting stock of the Company by the holders thereof to one or more persons or entities who are not then stockholders of the Company.

(d) VACATION. Employee will be eligible for paid vacation time off in accordance with, and subject to, the Company's policies and procedures in effect from time to time.

(e) BENEFITS. Employee will (subject to applicable eligibility requirements) receive such other benefits as are provided from time to time to other similarly-situated employees of the Company pursuant to the Company's policies and procedures as they may be instituted from time to time. All such benefits are subject to the provisions of their respective plan documents in accordance with their terms. Employee acknowledges and agrees that the Company has the unilateral right to amend, modify or terminate its employee benefit plans or policies to the maximum extent allowed by law.

(f) EXPENSE REIMBURSEMENT. The Company will reimburse Employee for all reasonable business expenses incurred by Employee in connection with the performance of Employee's duties hereunder, subject to Employee's compliance with the Company's reimbursement policies in effect from time to time. All reimbursements provided under this

Agreement will be made or provided in accordance with the requirements of Section 409A of the Internal Revenue Code and the rules and regulations thereunder including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during Employee's lifetime (or during a shorter period of time specified in this Agreement); (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year; (iii) the reimbursement of an eligible expense shall be made no later than the last day of the calendar year following the year in which the expense is incurred; and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit.

(g) WITHHOLDINGS. The Company will withhold from any amounts payable under this Agreement, such federal, state and local taxes, as the Company reasonably determines are required to be withheld pursuant to applicable law.

(h) RELOCATION. To assist with relocation to North Carolina, the Company will reimburse you for reasonable expenses incurred in relocating yourself and your family from your existing residence to a new residence in the Raleigh/Durham area, up to a maximum of $100,000. Covered expenses will include carrier transportation by an approved carrier for normal household goods and personal effects, exclusive of automobiles, boats, recreational vehicles, explosives, firearms, outdoor structures, items of exceptional value, or any item in which the moving costs exceed its value, and customary packing and unpacking charges. You may also use this benefit to defray closing costs associated with the purchase of a residence in North Carolina. You will have eighteen (18) months from the date of this letter in which to use this benefit. Within thirty (30) days after incurring any covered expense, Employee will provide such documentation as may be reasonably requested by the Company to substantiate expenses to be reimbursed. In exchange for the company covering relocation expenses, should you leave the Company for any reason other than death, disability or discharge without cause within twelve (12) months of your hire date you will be responsible for repayment of the full relocation allowance to the company. Should you leave between 12-24 months of your hire date, 50% repayment of the relocation allowance is required. All repayments are due in full within 30 days of your separation date from G1 Therapeutics.

4. EFFECT OF TERMINATION.

(a) GENERALLY. When Employee's employment with the Company is terminated for any reason, Employee, or Employee's estate, as the case may be, will be entitled to receive the compensation and benefits earned through the effective date of termination, along with reimbursement for any approved business expenses that Employee has timely submitted for reimbursement in accordance with the Company's expense reimbursement policy or practice.

(b) SEPARATION BENEFIT UPON CERTAIN TERMINATIONS. If the Company terminates Employee's employment without Cause (as defined below), or if Employee resigns Employee's employment for Good Reason (as defined below), then conditioned upon Employee executing a Release (as defined below) following such termination, Employee will be entitled to receive an amount equal to payment of Employee's then-current Base Salary for a period of twelve (12) months (the "**Separation Benefit**"). The Separation Benefit is conditioned

upon Employee executing a release of claims in a form satisfactory to the Company (the "**Release**") within the time specified therein, which Release is not revoked within any time period allowed for revocation under applicable law. The Separation Benefit will be payable to Employee over time in accordance with the Company's payroll practices and procedures beginning on the sixtieth (60th) day following the termination of Employee's employment with the Company, provided that the Company, in its sole discretion, may begin the payments earlier. For avoidance of doubt, the termination of Employee's employment as a result of Employee's death or disability (meaning the inability of Employee, due to the condition of Employee's physical, mental or emotional health, effectively to perform the essential functions of Employee's job with or without reasonable accommodation for a continuous period of more than 90 days or for 90 days in any period of 180 consecutive days, as determined by the Board in its sole discretion in consultation with a physician retained by the Company) will not constitute a termination without Cause triggering the rights described in this Section 4(b).

(c) CAUSE. For purposes of this Agreement, "**Cause**" means: (i) Employee's fraud, embezzlement or misappropriation with respect to the Company; (ii) Employee's material breach of fiduciary duties to the Company; (iii) Employee's willful or negligent misconduct; (iv) Employee's material breach of this Agreement; (v) Employee's willful failure or refusal to perform Employee's material duties under this Agreement or failure to follow any specific lawful instructions of the Company; (vi) Employee's conviction or plea of nolo contendere in respect of a felony or of a misdemeanor involving moral turpitude; (vii) Employee's alcohol or substance abuse which has a material adverse effect on Employee's ability to perform Employee's duties under this Agreement; or (viii) Employee's engagement in a form of discrimination or harassment prohibited by law (including, without limitation, discrimination or harassment based on race, color, religion, sex, national origin, age or disability). In the event that the Company concludes that Employee has engaged in acts constituting Cause as defined in clause (iii), (iv), (v), or (vii) above, prior to terminating this Agreement for Cause the Company will provide Employee with at least fifteen (15) days' advance written notice of the specific circumstances constituting such Cause, and an opportunity to correct such circumstances.

(d) GOOD REASON. In order for Employee to resign for Good Reason, Employee must provide written notice to the Company of the existence of the Good Reason condition within thirty (30) days of the initial existence of such Good Reason condition. Upon receipt of such notice, the Company will have thirty (30) days during which it may remedy the Good Reason condition and not be required to provide for the benefits described in Section 4(b) above as a result of such proposed resignation if successfully remedied. If the Good Reason condition is not remedied within such thirty (30) day period, Employee may resign based on the Good Reason condition specified in the notice effective no later than thirty (30) days following the expiration of the thirty (30) day cure period. For purposes of this Agreement, "**Good Reason**" means the occurrence of any of the following events without Employee's consent: (i) a material reduction of Employee's Base Salary not generally applicable to other executive-level employees of the Company, (ii) a material diminution of the Employee's authority, duties, or responsibilities, (iii) a relocation of Employee's primary workplace to a location that is more than fifty (50) miles from the location of Employee's primary workplace as of the date hereof, or (iv) the Company's material breach of this Agreement.

(e) APPLICATION OF INTERNAL REVENUE CODE SECTION 409A. Notwithstanding anything to the contrary set forth herein, any payments and benefits provided under this Section 4 that constitute "deferred compensation" within the meaning of Section 409A of the Internal Revenue Code and the regulations and other guidance thereunder and any state law of similar effect (collectively "Section 409A") will not commence in connection with Employee's termination of employment unless and until Employee has also incurred a "separation from service" (as such term is defined in Treasury Regulation Section 1.409A-1(h) (a "**Separation From Service**"), unless the Company reasonably determines that such amounts may be provided to Employee without causing Employee to incur an additional tax under Section 409A. The parties intend that each installment of the Separation Benefits payments provided for in this Agreement is a separate "payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2)(i). For the avoidance of doubt, the parties intend that payments of the Separation Benefits set forth in this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Section 409A provided under Treasury Regulation Sections 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9). However, if the Company determines that the Separation Benefits constitute "deferred compensation" under Section 409A and Employee is, on the termination of service, a "specified employee" of the Company or any successor entity thereto, as such term is defined in Section 409A, then, solely to the extent necessary to avoid the incurrence of the adverse personal tax consequences under Section 409A, the timing of the Separation Benefits payments will be delayed until the earlier to occur of: (i) the date that is six months and one day after Employee's Separation From Service, or (ii) the date of Employee's death (such applicable date, the "**Specified Employee Initial Payment Date**"), the Company (or the successor entity thereto, as applicable) will (A) pay to Employee a lump sum amount equal to the sum of the Separation Benefits payments that Employee would otherwise have received through the Specified Employee Initial Payment Date if the commencement of the payment of the Separation Benefits had not been so delayed pursuant to this Section and (B) commence paying the balance of the Separation Benefits in accordance with the applicable payment schedules set forth in this Agreement.

(f) NO FURTHER OBLIGATIONS. Except as expressly provided above or as otherwise required by law, the Company will have no obligations to Employee in the event of the termination of this Agreement for any reason.

5. EMPLOYEE REPRESENTATIONS. Employee represents and warrants that Employee is not obligated or restricted under any agreement (including any non-competition or confidentiality agreement), judgment, decree, order or other restraint of any kind that could impair Employee's ability to perform the duties and obligations required of Employee hereunder. Employee further agrees that Employee will not divulge to the Company any confidential information and/or trade secrets belonging to others, including Employee's former employers, nor will the Company seek to elicit from Employee such information. Consistent with the foregoing, Employee will not provide to the Company, and the Company will not request, any documents or copies of documents containing such information.

6. NOTICES. Any notice required to be given hereunder will be sufficient if in writing and hand delivered or sent by mail, return receipt requested, postage prepaid, in the case of Employee, to Employee's address shown on the Company's records, and in the case of the

Company, to 79 T.W. Alexander Drive, 4501 Research Commons, Suite 100, Research Triangle Park, NC 27709, or to such other addresses as either party shall specify to the other.

7. AMENDMENT; WAIVER. No amendment of any provision of this Agreement will be valid unless the amendment is in writing and signed by the Company and Employee. No waiver of any provision of this Agreement will be valid unless the waiver is in writing and signed by the waiving party. The failure of a party at any time to require performance of any provision of this Agreement will not affect such party's rights at a later time to enforce such provision. No waiver by a party of any breach of this Agreement will be deemed to extend to any other breach hereunder or affect in any way any rights arising by virtue of any other breach.

8. GOVERNING LAW; VENUE. This Agreement will be governed by and construed in accordance with the laws of the State of North Carolina, without regard to that body of law known as choice of law. The parties agree that any litigation arising out of or related to this Agreement or Employee's employment by the Company will be brought exclusively in any state or federal court in Durham County, North Carolina. Each party (i) consents to the personal jurisdiction of said courts, (ii) waives any venue or inconvenient forum defense to any proceeding maintained in such courts, and (iii) agrees not to bring any proceeding arising out of or relating to this Agreement or Employee's employment by the Company in any other court.

9. BENEFIT. This Agreement will be binding upon and will inure to the benefit of each of the parties hereto, and to their respective heirs, representatives, successors and permitted assigns. Employee may not assign any of Employee's rights or delegate any of Employee's duties under this Agreement.

10. ENTIRE AGREEMENT; OTHER AGREEMENTS. This Agreement contains the entire agreement and understanding by and between the Company and Employee with respect to the subject matter hereof, and any representations, promises, agreements or understandings, written or oral, not herein contained will be of no force or effect; provided, however, that Employee is also subject to the terms and conditions of (i) that certain Employee Non-Competition and Non-Solicitation Agreement by and between Employee and the Company, and (ii) that certain Employee Confidentiality and Inventions Agreement by and between Employee and the Company, each of which remains in full force and effect.

11. CAPTIONS; RULE OF CONSTRUCTION. The captions in this Agreement are for convenience only and in no way define, bind or describe the scope or intent of this Agreement. The terms and provisions of this Agreement will not be construed against the drafter or drafters hereof All parties hereto agree that the language of this Agreement will be construed as a whole according to its fair meaning and not strictly for or against any of the parties hereto.

12. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same agreement. Facsimile or PDF reproductions of original signatures will be deemed binding for the purpose of the execution of this Agreement.

13. SEVERABILITY. Each provision of this Agreement is severable from every other provision of this Agreement. Any provision of this Agreement that is determined by any court of competent jurisdiction to be invalid or unenforceable will not affect the validity or enforceability of any other provision. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

14. SURVIVAL. The terms of Sections 4 through 14 will survive the termination or expiration of this Agreement for any reason.

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the Effective Date.

G1 THERAPEUTICS, INC.

By: */s/ Mark Velleca*
Name: Mark Velleca
Title: CEO

EMPLOYEE:

/s/ John Demaree
John Demaree

G1 THERAPEUTICS, INC.

2017 EMPLOYEE, DIRECTOR AND CONSULTANT EQUITY INCENTIVE PLAN,

AS AMENDED

1. DEFINITIONS.

Unless otherwise specified or unless the context otherwise requires, the following terms, as used in this G1 Therapeutics, Inc. 2017 Employee, Director and Consultant Equity Incentive Plan, have the following meanings:

Administrator means the Board of Directors, unless it has delegated power to act on its behalf to the Committee, in which case the term "Administrator" means the Committee.

Affiliate means a corporation which, for purposes of Section 424 of the Code, is a parent or subsidiary of the Company, direct or indirect.

Agreement means an agreement between the Company and a Participant pertaining to a Stock Right delivered pursuant to the Plan in such form as the Administrator shall approve.

Board of Directors means the Board of Directors of the Company.

Cause means, with respect to a Participant (a) dishonesty with respect to the Company or any Affiliate, (b) insubordination, substantial malfeasance or non-feasance of duty, (c) unauthorized disclosure of confidential information, (d) breach by a Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or similar agreement between the Participant and the Company or any Affiliate, and (e) conduct substantially prejudicial to the business of the Company or any Affiliate; provided, however, that any provision in an agreement between a Participant and the Company or an Affiliate, which contains a conflicting definition of Cause for termination and which is in effect at the time of such termination, shall supersede this definition with respect to that Participant. The determination of the Administrator as to the existence of Cause will be conclusive on the Participant and the Company.

Code means the United States Internal Revenue Code of 1986, as amended including any successor statute, regulation and guidance thereto.

Committee means the committee of the Board of Directors, if any, to which the Board of Directors has delegated power to act under or pursuant to the provisions of the Plan.

Common Stock means shares of the Company's common stock, $0.0001 par value per share.

Company means G1 Therapeutics, Inc., a Delaware corporation.

Consultant means any natural person who is an advisor or consultant who provides bona fide services to the Company or its Affiliates, provided that such services are not in connection with the offer or sale of securities in a capital raising transaction, and do not directly or indirectly promote or maintain a market for the Company's or its Affiliates' securities.

Disability or Disabled means permanent and total disability as defined in Section 22(e)(3) of the Code.

Employee means any employee of the Company or of an Affiliate (including, without limitation, an employee who is also serving as an officer or director of the Company or of an Affiliate), designated by the Administrator to be eligible to be granted one or more Stock Rights under the Plan.

Exchange Act means the United States Securities Exchange Act of 1934, as amended.

Fair Market Value of a Share of Common Stock means:

(1) If the Common Stock is listed on a national securities exchange or traded in the over-the-counter market and sales prices are regularly reported for the Common Stock, the closing or, if not applicable, the last price of the Common Stock on the composite tape or other comparable reporting system for the trading day on the applicable date and if such applicable date is not a trading day, the last market trading day prior to such date;

(2) If the Common Stock is not traded on a national securities exchange but is traded on the over-the-counter market, if sales prices are not regularly reported for the Common Stock for the trading day referred to in clause (1), and if bid and asked prices for the Common Stock are regularly reported, the mean between the bid and the asked price for the Common Stock at the close of trading in the over-the-counter market for the trading day on which Common Stock was traded on the applicable date and if such applicable date is not a trading day, the last market trading day prior to such date; and

(3) If the Common Stock is neither listed on a national securities exchange nor traded in the over-the-counter market, such value as the Administrator, in good faith, shall determine in compliance with applicable laws.

ISO means an option intended to qualify as an incentive stock option under Section 422 of the Code.

Non-Qualified Option means an option which is not intended to qualify as an ISO.

Option means an ISO or Non-Qualified Option granted under the Plan.

Participant means an Employee, director or Consultant of the Company or an Affiliate to whom one or more Stock Rights are granted under the Plan. As used herein, "Participant" shall include the Participant's "Survivors" where the context requires.

Plan means this G1 Therapeutics, Inc. 2017 Employee, Director and Consultant Equity Incentive Plan.

Securities Act means the United States Securities Act of 1933, as amended.

Shares means shares of the Common Stock as to which Stock Rights have been or may be granted under the Plan or any shares of capital stock into which the Shares are changed or for which they are exchanged within the provisions of Paragraph 3 of the Plan. The Shares issued under the Plan may be authorized and unissued shares or shares held by the Company in its treasury, or both.

Stock-Based Award means a grant by the Company under the Plan of an equity award or an equity based award which is not an Option or a Stock Grant.

Stock Grant means a grant by the Company of Shares under the Plan.

Stock Right means a right to Shares or the value of Shares of the Company granted pursuant to the Plan -- an ISO, a Non-Qualified Option, a Stock Grant or a Stock-Based Award.

Survivor means a deceased Participant's legal representatives and/or any person or persons who acquired the Participant's rights to a Stock Right by will or by the laws of descent and distribution.

2. PURPOSES OF THE PLAN.

The Plan is intended to encourage ownership of Shares by Employees and directors of and certain Consultants to the Company and its Affiliates in order to attract and retain such people, to induce them to work for the benefit of the Company or of an Affiliate and to provide additional incentive for them to promote the success of the Company or of an Affiliate. The Plan provides for the granting and awarding of ISOs, Non-Qualified Options, Stock Grants and Stock-Based Awards.

3. SHARES SUBJECT TO THE PLAN.

(a)The number of Shares which may be issued from time to time pursuant to this Plan shall be the sum of: (i) 1,932,000 shares of Common Stock and (ii) any shares of Common Stock that are represented by awards granted under the Company's 2011 Equity Incentive Plan, as amended, that are forfeited, expire or are cancelled without delivery of shares of Common Stock or which result in the forfeiture of shares of Common Stock back to the Company on or

after May 4, 2017, or the equivalent of such number of Shares after the Administrator, in its sole discretion, has interpreted the effect of any stock split, stock dividend, combination, recapitalization or similar transaction in accordance with Paragraph 24 of this Plan; provided, however, that no more than 3,807,556 Shares shall be added to the Plan pursuant to subsection (ii).

(b) Notwithstanding Subparagraph (a) above, on the first day of each fiscal year of the Company during the period beginning in fiscal year 2018, and ending on the second day of fiscal year 2027, the number of Shares that may be issued from time to time pursuant to the Plan, shall be increased by an amount equal to the lesser of (i) 4% of shares outstanding post IPO or the equivalent of such number of Shares after the Administrator, in its sole discretion, has interpreted the effect of any stock split, stock dividend, combination, recapitalization or similar transaction in accordance with Paragraph 24 of the Plan; (ii) 4% of the number of outstanding shares of Common Stock on such date; and (iii) an amount determined by the Board.

(c) If an Option ceases to be "outstanding," in whole or in part (other than by exercise), or if the Company shall reacquire (at not more than its original issuance price) any Shares issued pursuant to a Stock Grant or Stock-Based Award, or if any Stock Right expires or is forfeited, cancelled, or otherwise terminated or results in any Shares not being issued, the unissued or reacquired Shares which were subject to such Stock Right shall again be available for issuance from time to time pursuant to this Plan. Notwithstanding the foregoing, if a Stock Right is exercised, in whole or in part, by tender of Shares or if the Company or an Affiliate's tax withholding obligation is satisfied by withholding Shares, the number of Shares deemed to have been issued under the Plan for purposes of the limitation set forth in Paragraph 3(a) above shall be the number of Shares that were subject to the Stock Right or portion thereof, and not the net number of Shares actually issued. However, in the case of ISOs, the foregoing provisions shall be subject to any limitations under the Code.

4. ADMINISTRATION OF THE PLAN.

The Administrator of the Plan will be the Board of Directors, except to the extent the Board of Directors delegates its authority to the Committee, in which case the Committee shall be the Administrator. Subject to the provisions of the Plan, the Administrator is authorized to:

(a) Interpret the provisions of the Plan and all Stock Rights and to make all rules and determinations which it deems necessary or advisable for the administration of the Plan;

(b) Determine which Employees, directors and Consultants shall be granted Stock Rights;

(c) Determine the number of Shares for which a Stock Right or Stock Rights shall be granted;

(d) Specify the terms and conditions upon which a Stock Right or Stock Rights may be granted;

(e) Amend any term or condition of any outstanding Stock Right, other than reducing the exercise price or purchase price or extending the expiration date of an Option, provided that

(i) such term or condition as amended is not prohibited by the Plan; (ii) any such amendment shall not impair the rights of a Participant under any Stock Right previously granted without such Participant's consent or in the event of death of the Participant the Participant's Survivors; and (iii) any such amendment shall be made only after the Administrator determines whether such amendment would cause any adverse tax consequences to the Participant, including, but not limited to, the annual vesting limitation contained in Section 422(d) of the Code and described in Paragraph 6(b)(iv) below with respect to ISOs and pursuant to Section 409A of the Code;

(f)Buy out for a payment in cash or Shares, a Stock Right previously granted, awarded and/or cancel any such Stock Right and grant in substitution therefor other Stock Rights, covering the same or a different number of Shares and having an exercise price or purchase price per share which may be lower or higher than the exercise price or purchase price of the cancelled Stock Right, based on such terms and conditions as the Administrator shall establish and the Participant shall accept; and

(g) Adopt any sub-plans applicable to residents of any specified jurisdiction as it deems necessary or appropriate in order to comply with or take advantage of any tax or other laws applicable to the Company, any Affiliate or to Participants or to otherwise facilitate the administration of the Plan, which sub-plans may include additional restrictions or conditions applicable to Stock Rights or Shares issuable pursuant to a Stock Right;

provided, however, that all such interpretations, rules, determinations, terms and conditions shall be made and prescribed in the context of not causing any adverse tax consequences under Section 409A of the Code and preserving the tax status under Section 422 of the Code of those Options which are designated as ISOs. Subject to the foregoing, the interpretation and construction by the Administrator of any provisions of the Plan or of any Stock Right granted under it shall be final, unless otherwise determined by the Board of Directors, if the Administrator is the Committee. In addition, if the Administrator is the Committee, the Board of Directors may take any action under the Plan that would otherwise be the responsibility of the Committee.

To the extent permitted under applicable law, the Board of Directors or the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any portion of its responsibilities and powers to any other person selected by it. The Board of Directors or the Committee may revoke any such allocation or delegation at any time. Notwithstanding the foregoing, only the Board of Directors or the Committee shall be authorized to grant a Stock Right to any director of the Company or to any "officer" of the Company as defined by Rule 16a-1 under the Exchange Act.

5. ELIGIBILITY FOR PARTICIPATION.

The Administrator will, in its sole discretion, name the Participants in the Plan; provided, however, that each Participant must be an Employee, director or Consultant of the Company or of an Affiliate at the time a Stock Right is granted. Notwithstanding the foregoing, the Administrator may authorize the grant of a Stock Right to a person not then an Employee, director or Consultant of the Company or of an Affiliate; provided, however, that the actual grant of such Stock Right shall be conditioned upon such person becoming eligible to become a

Participant at or prior to the time of the execution of the Agreement evidencing such Stock Right. ISOs may be granted only to Employees who are deemed to be residents of the United States for tax purposes. Non-Qualified Options, Stock Grants and Stock-Based Awards may be granted to any Employee, director or Consultant of the Company or an Affiliate. The granting of any Stock Right to any individual shall neither entitle that individual to, nor disqualify him or her from, participation in any other grant of Stock Rights or any grant under any other benefit plan established by the Company or any Affiliate for Employees, directors or Consultants.

6. TERMS AND CONDITIONS OF OPTIONS.

Each Option shall be set forth in writing in an Option Agreement, duly executed by the Company and, to the extent required by law or requested by the Company, by the Participant. The Administrator may provide that Options be granted subject to such terms and conditions, consistent with the terms and conditions specifically required under this Plan, as the Administrator may deem appropriate including, without limitation, subsequent approval by the shareholders of the Company of this Plan or any amendments thereto. The Option Agreements shall be subject to at least the following terms and conditions:

(a) Non-Qualified Options: Each Option intended to be a Non-Qualified Option shall be subject to the terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company, subject to the following minimum standards for any such Non-Qualified Option:

(i) Exercise Price: Each Option Agreement shall state the exercise price (per share) of the Shares covered by each Option, which exercise price shall be determined by the Administrator and shall be at least equal to the Fair Market Value per share of Common Stock on the date of grant of the Option.

(ii) Number of Shares: Each Option Agreement shall state the number of Shares to which it pertains.

(iii) Vesting: Each Option Agreement shall state the date or dates on which it first is exercisable and the date after which it may no longer be exercised, and may provide that the Option rights accrue or become exercisable in installments over a period of months or years, or upon the occurrence of certain performance conditions or the attainment of stated goals or events.

(iv) Additional Conditions: Exercise of any Option may be conditioned upon the Participant's execution of a Share purchase agreement in a form satisfactory to the Administrator providing for certain protections for the Company and its other shareholders, including requirements that:

A. The Participant's or the Participant's Survivors' right to sell or transfer the Shares may be restricted; and

B. The Participant or the Participant's Survivors may be required to execute letters of investment intent and must also acknowledge that the Shares will bear legends noting any applicable restrictions.

(v) Term of Option: Each Option shall terminate not more than ten years from the date of the grant or at such earlier time as the Option Agreement may provide.

(b) ISOs: Each Option intended to be an ISO shall be issued only to an Employee who is deemed to be a resident of the United States for tax purposes, and shall be subject to the following terms and conditions, with such additional restrictions or changes as the Administrator determines are appropriate but not in conflict with Section 422 of the Code and relevant regulations and rulings of the Internal Revenue Service:

(i) Minimum standards: The ISO shall meet the minimum standards required of Non-Qualified Options, as described in Paragraph 6(a) above, except subsections (i) and (v) thereunder.

(ii) Exercise Price: Immediately before the ISO is granted, if the Participant owns, directly or by reason of the applicable attribution rules in Section 424(d) of the Code:

A. 10% or less of the total combined voting power of all classes of stock of the Company or an Affiliate, the exercise price per share of the Shares covered by each ISO shall not be less than 100% of the Fair Market Value per share of the Common Stock on the date of grant of the Option; or

B. More than 10% of the total combined voting power of all classes of stock of the Company or an Affiliate, the exercise price per share of the Shares covered by each ISO shall not be less than 110% of the Fair Market Value per share of the Common Stock on the date of grant of the Option.

(iii) Term of Option: For Participants who own:

A. 10% or less of the total combined voting power of all classes of stock of the Company or an Affiliate, each ISO shall terminate not more than ten years from the date of the grant or at such earlier time as the Option Agreement may provide; or

B. More than 10% of the total combined voting power of all classes of stock of the Company or an Affiliate, each ISO shall terminate not more than five years from the date of the grant or at such earlier time as the Option Agreement may provide.

(iv) Limitation on Yearly Exercise : The Option Agreements shall restrict the amount of ISOs which may become exercisable in any calendar year

(under this or any other ISO plan of the Company or an Affiliate) so that the aggregate Fair Market Value (determined on the date each ISO is granted) of the stock with respect to which ISOs are exercisable for the first time by the Participant in any calendar year does not exceed $100,000.

7. TERMS AND CONDITIONS OF STOCK GRANTS.

Each Stock Grant to a Participant shall state the principal terms in an Agreement duly executed by the Company and, to the extent required by law or requested by the Company, by the Participant. The Agreement shall be in a form approved by the Administrator and shall contain terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company, subject to the following minimum standards:

(a) Each Agreement shall state the purchase price per share, if any, of the Shares covered by each Stock Grant, which purchase price shall be determined by the Administrator but shall not be less than the minimum consideration required by the Delaware General Corporation Law, if any, on the date of the grant of the Stock Grant;

(b) Each Agreement shall state the number of Shares to which the Stock Grant pertains; and

(c) Each Agreement shall include the terms of any right of the Company to restrict or reacquire the Shares subject to the Stock Grant.

8. TERMS AND CONDITIONS OF OTHER STOCK-BASED AWARDS.

The Administrator shall have the right to grant other Stock-Based Awards based upon the Common Stock having such terms and conditions as the Administrator may determine, including, without limitation, the grant of Shares based upon certain conditions, the grant of securities convertible into Shares and the grant of stock appreciation rights, phantom stock awards or stock units. The principal terms of each Stock-Based Award shall be set forth in an Agreement, duly executed by the Company and, to the extent required by law or requested by the Company, by the Participant. The Agreement shall be in a form approved by the Administrator and shall contain terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company. Each Agreement shall include the terms of any right of the Company including the right to terminate the Stock-Based Award without the issuance of Shares, the terms of any vesting conditions or events upon which Shares shall be issued. Under no circumstances may the Agreement covering stock appreciation rights (a) have an exercise price (per share) that is less than the Fair Market Value per share of Common Stock on the date of grant or (b) expire more than ten years following the date of grant.

The Company intends that the Plan and any Stock-Based Awards granted hereunder be exempt from the application of Section 409A of the Code or meet the requirements of paragraphs (2), (3) and (4) of subsection (a) of Section 409A of the Code, to the extent applicable, and be operated in accordance with Section 409A so that any compensation deferred under any Stock-Based Award (and applicable investment earnings) shall not be included in income under Section

409A of the Code. Any ambiguities in the Plan shall be construed to effect the intent as described in this Paragraph 8.

9. EXERCISE OF OPTIONS AND ISSUE OF SHARES.

An Option (or any part or installment thereof) shall be exercised by giving written notice to the Company or its designee (in a form acceptable to the Administrator, which may include electronic notice), together with provision for payment of the aggregate exercise price in accordance with this Paragraph for the Shares as to which the Option is being exercised, and upon compliance with any other condition(s) set forth in the Option Agreement. Such notice shall be signed by the person exercising the Option (which signature may be provided electronically in a form acceptable to the Administrator), shall state the number of Shares with respect to which the Option is being exercised and shall contain any representation required by the Plan or the Option Agreement. Payment of the exercise price for the Shares as to which such Option is being exercised shall be made (a) in United States dollars in cash or by check; or (b) at the discretion of the Administrator, through delivery of shares of Common Stock held for at least six months (if required to avoid negative accounting treatment) having a Fair Market Value equal as of the date of the exercise to the aggregate cash exercise price for the number of Shares as to which the Option is being exercised; or (c) at the discretion of the Administrator, by having the Company retain from the Shares otherwise issuable upon exercise of the Option, a number of Shares having a Fair Market Value equal as of the date of exercise to the aggregate exercise price for the number of Shares as to which the Option is being exercised; or (d) at the discretion of the Administrator, in accordance with a cashless exercise program established with a securities brokerage firm, and approved by the Administrator; or (e) at the discretion of the Administrator, by any combination of (a), (b), (c) and (d) above; or (f) at the discretion of the Administrator, by payment of such other lawful consideration as the Administrator may determine. Notwithstanding the foregoing, the Administrator shall accept only such payment on exercise of an ISO as is permitted by Section 422 of the Code.

The Company shall then reasonably promptly deliver the Shares as to which such Option was exercised to the Participant (or to the Participant's Survivors, as the case may be). In determining what constitutes "reasonably promptly," it is expressly understood that the issuance and delivery of the Shares may be delayed by the Company in order to comply with any law or regulation (including, without limitation, state securities or "blue sky" laws) which requires the Company to take any action with respect to the Shares prior to their issuance. The Shares shall, upon delivery, be fully paid, non-assessable Shares.

10. PAYMENT IN CONNECTION WITH THE ISSUANCE OF STOCK GRANTS AND STOCK-BASED AWARDS AND ISSUE OF SHARES.

Any Stock Grant or Stock-Based Award requiring payment of a purchase price for the Shares as to which such Stock Grant or Stock-Based Award is being granted shall be made (a) in United States dollars in cash or by check; or (b) at the discretion of the Administrator, through delivery of shares of Common Stock held for at least six months (if required to avoid negative accounting treatment) and having a Fair Market Value equal as of the date of payment to the purchase price of the Stock Grant or Stock-Based Award; or (c) at the discretion of the Administrator, by any combination of (a) and (b) above; or (d) at the discretion of the

Administrator, by payment of such other lawful consideration as the Administrator may determine.

The Company shall, when required by the applicable Agreement, reasonably promptly deliver the Shares as to which such Stock Grant or Stock-Based Award was made to the Participant (or to the Participant's Survivors, as the case may be), subject to any escrow provision set forth in the applicable Agreement. In determining what constitutes "reasonably promptly," it is expressly understood that the issuance and delivery of the Shares may be delayed by the Company in order to comply with any law or regulation (including, without limitation, state securities or "blue sky" laws) which requires the Company to take any action with respect to the Shares prior to their issuance.

11. RIGHTS AS A SHAREHOLDER.

No Participant to whom a Stock Right has been granted shall have rights as a shareholder with respect to any Shares covered by such Stock Right except after due exercise of an Option or issuance of Shares as set forth in any Agreement, tender of the aggregate exercise or purchase price, if any, for the Shares being purchased and registration of the Shares in the Company's share register in the name of the Participant.

12. ASSIGNABILITY AND TRANSFERABILITY OF STOCK RIGHTS.

By its terms, a Stock Right granted to a Participant shall not be transferable by the Participant other than (i) by will or by the laws of descent and distribution, or (ii) as approved by the Administrator in its discretion and set forth in the applicable Agreement provided that no Stock Right may be transferred by a Participant for value. Notwithstanding the foregoing, an ISO transferred except in compliance with subsection (i) above shall no longer qualify as an ISO. The designation of a beneficiary of a Stock Right by a Participant, with the prior approval of the Administrator and in such form as the Administrator shall prescribe, shall not be deemed a transfer prohibited by this Paragraph. Except as provided above during the Participant's lifetime a Stock Right shall only be exercisable by or issued to such Participant (or his or her legal representative) and shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of any Stock Right or of any rights granted thereunder contrary to the provisions of this Plan, or the levy of any attachment or similar process upon a Stock Right, shall be null and void.

13. EFFECT ON OPTIONS OF TERMINATION OF SERVICE OTHER THAN FOR CAUSE OR DEATH OR DISABILITY.

Except as otherwise provided in a Participant's Option Agreement, in the event of a termination of service (whether as an Employee, director or Consultant) with the Company or an Affiliate before the Participant has exercised an Option, the following rules apply:

(a) A Participant who ceases to be an Employee, director or Consultant of the Company or of an Affiliate (for any reason other than termination for Cause, Disability, or death for which events there are special rules in Paragraphs 14, 15 and 16, respectively), may exercise any Option granted to him or her to the extent that the Option is exercisable on the date of such

termination of service, but only within such term as the Administrator has designated in a Participant's Option Agreement.

(b) Except as provided in Subparagraph (c) below, or Paragraph 15 or 16, in no event may an Option intended to be an ISO, be exercised later than three months after the Participant's termination of employment.

(c) The provisions of this Paragraph, and not the provisions of Paragraph 15 or 16, shall apply to a Participant who subsequently becomes Disabled or dies after the termination of employment, director status or consultancy; provided, however, in the case of a Participant's Disability or death within three months after the termination of employment, director status or consultancy, the Participant or the Participant's Survivors may exercise the Option within one year after the date of the Participant's termination of service, but in no event after the date of expiration of the term of the Option.

(d) Notwithstanding anything herein to the contrary, if subsequent to a Participant's termination of employment, termination of director status or termination of consultancy, but prior to the exercise of an Option, the Administrator determines that, either prior or subsequent to the Participant's termination, the Participant engaged in conduct which would constitute Cause, then such Participant shall forthwith cease to have any right to exercise any Option.

(e) A Participant to whom an Option has been granted under the Plan who is absent from the Company or an Affiliate because of temporary disability (any disability other than a Disability as defined in Paragraph 1 hereof), or who is on leave of absence for any purpose, shall not, during the period of any such absence, be deemed, by virtue of such absence alone, to have terminated such Participant's employment, director status or consultancy with the Company or with an Affiliate, except as the Administrator may otherwise expressly provide; provided, however, that, for ISOs, any leave of absence granted by the Administrator of greater than ninety days, unless pursuant to a contract or statute that guarantees the right to reemployment, shall cause such ISO to become a Non-Qualified Option on the 181st day following such leave of absence.

(f) Except as required by law or as set forth in a Participant's Option Agreement, Options granted under the Plan shall not be affected by any change of a Participant's status within or among the Company and any Affiliates, so long as the Participant continues to be an Employee, director or Consultant of the Company or any Affiliate.

14. EFFECT ON OPTIONS OF TERMINATION OF SERVICE FOR CAUSE.

Except as otherwise provided in a Participant's Option Agreement, the following rules apply if the Participant's service (whether as an Employee, director or Consultant) with the Company or an Affiliate is terminated for Cause prior to the time that all his or her outstanding Options have been exercised:

(a) All outstanding and unexercised Options as of the time the Participant is notified his or her service is terminated for Cause will immediately be forfeited.

(b) Cause is not limited to events which have occurred prior to a Participant's termination of service, nor is it necessary that the Administrator's finding of Cause occur prior to termination. If the Administrator determines, subsequent to a Participant's termination of service but prior to the exercise of an Option, that either prior or subsequent to the Participant's termination the Participant engaged in conduct which would constitute Cause, then the right to exercise any Option is forfeited.

15. EFFECT ON OPTIONS OF TERMINATION OF SERVICE FOR DISABILITY.

Except as otherwise provided in a Participant's Option Agreement:

(a) A Participant who ceases to be an Employee, director or Consultant of the Company or of an Affiliate by reason of Disability may exercise any Option granted to such Participant to the extent that the Option has become exercisable but has not been exercised on the date of the Participant's termination of service due to Disability;

(b) In the event rights to exercise the Option accrue periodically, a Disabled Participant may exercise any Option granted to such Participant to the extent of a pro rata portion through the date of the Participant's termination of service due to Disability of any additional vesting rights that would have accrued on the next vesting date had the Participant not become Disabled. The proration shall be based upon the number of days accrued in the current vesting period prior to the date of the Participant's termination of service due to Disability;

(c) A Disabled Participant may exercise the Option only within the period ending one year after the date of the Participant's termination of service due to Disability, notwithstanding that the Participant might have been able to exercise the Option as to some or all of the Shares on a later date if the Participant had not been terminated due to Disability and had continued to be an Employee, director or Consultant or, if earlier, within the originally prescribed term of the Option; and

(d) The Administrator shall make the determination both of whether Disability has occurred and the date of its occurrence (unless a procedure for such determination is set forth in another agreement between the Company and such Participant, in which case such procedure shall be used for such determination). If requested, the Participant shall be examined by a physician selected or approved by the Administrator, the cost of which examination shall be paid for by the Company.

16. EFFECT ON OPTIONS OF DEATH WHILE AN EMPLOYEE, DIRECTOR OR CONSULTANT.

Except as otherwise provided in a Participant's Option Agreement:

(a) In the event of the death of a Participant while the Participant is an Employee, director or Consultant of the Company or of an Affiliate, such Option may be exercised by the Participant's Survivors to the extent that the Option has become exercisable but has not been exercised on the date of death;

(b) In the event rights to exercise the Option accrue periodically, a deceased Participant's Survivors may exercise any Option granted to such Participant to the extent of a pro rata portion through the date of death of any additional vesting rights that would have accrued on the next vesting date had the Participant not died. The proration shall be based upon the number of days accrued in the current vesting period prior to the Participant's date of death; and

(c) If the Participant's Survivors wish to exercise the Option, they must take all necessary steps to exercise the Option within one year after the date of death of such Participant, notwithstanding that the decedent might have been able to exercise the Option as to some or all of the Shares on a later date if he or she had not died and had continued to be an Employee, director or Consultant or, if earlier, within the originally prescribed term of the Option.

17. EFFECT ON STOCK GRANTS AND STOCK-BASED AWARDS OF TERMINATION OF SERVICE.

In the event of a termination of service (whether as an Employee, director or Consultant) with the Company or an Affiliate for any reason before the Participant has accepted a Stock Grant or a Stock-Based Award and paid the purchase price, if required, such grant shall terminate.

For purposes of this Paragraph 17 and Paragraph 18 below, a Participant to whom a Stock Grant or a Stock-Based Award has been issued under the Plan who is absent from work with the Company or with an Affiliate because of temporary disability (any disability other than a Disability as defined in Paragraph 1 hereof), or who is on leave of absence for any purpose, shall not, during the period of any such absence, be deemed, by virtue of such absence alone, to have terminated such Participant's employment, director status or consultancy with the Company or with an Affiliate, except as the Administrator may otherwise expressly provide.

In addition, for purposes of this Paragraph 17 and Paragraph 18 below, any change of employment or other service within or among the Company and any Affiliates shall not be treated as a termination of employment, director status or consultancy so long as the Participant continues to be an Employee, director or Consultant of the Company or any Affiliate.

18. EFFECT ON STOCK GRANTS AND STOCK-BASED AWARDS OF TERMINATION OF SERVICE OTHER THAN FOR CAUSE, DEATH OR DISABILITY.

Except as otherwise provided in a Participant's Agreement, in the event of a termination of service for any reason (whether as an Employee, director or Consultant), other than termination for Cause, death or Disability for which there are special rules in Paragraphs 19, 20 and 21 below, before all forfeiture provisions or Company rights of repurchase shall have lapsed, then the Company shall have the right to cancel or repurchase that number of Shares subject to a Stock Grant or Stock-Based Award as to which the Company's forfeiture or repurchase rights have not lapsed.

19. EFFECT ON STOCK GRANTS AND STOCK-BASED AWARDS OF TERMINATION OF SERVICE FOR CAUSE.

Except as otherwise provided in a Participant's Agreement, the following rules apply if the Participant's service (whether as an Employee, director or Consultant) with the Company or an Affiliate is terminated for Cause:

(a) All Shares subject to any Stock Grant or Stock-Based Award that remain subject to forfeiture provisions or as to which the Company shall have a repurchase right shall be immediately forfeited to the Company as of the time the Participant is notified his or her service is terminated for Cause.

(b) Cause is not limited to events which have occurred prior to a Participant's termination of service, nor is it necessary that the Administrator's finding of Cause occur prior to termination. If the Administrator determines, subsequent to a Participant's termination of service, that either prior or subsequent to the Participant's termination the Participant engaged in conduct which would constitute Cause, then all Shares subject to any Stock Grant or Stock-Based Award that remained subject to forfeiture provisions or as to which the Company had a repurchase right on the date of termination shall be immediately forfeited to the Company.

20. EFFECT ON STOCK GRANTS AND STOCK-BASED AWARDS OF TERMINATION OF SERVICE FOR DISABILITY.

Except as otherwise provided in a Participant's Agreement, the following rules apply if a Participant ceases to be an Employee, director or Consultant of the Company or of an Affiliate by reason of Disability: to the extent the forfeiture provisions or the Company's rights of repurchase have not lapsed on the date of Disability, they shall be exercisable; provided, however, that in the event such forfeiture provisions or rights of repurchase lapse periodically, such provisions or rights shall lapse to the extent of a pro rata portion of the Shares subject to such Stock Grant or Stock-Based Award through the date of Disability as would have lapsed had the Participant not become Disabled. The proration shall be based upon the number of days accrued prior to the date of Disability.

The Administrator shall make the determination both as to whether Disability has occurred and the date of its occurrence (unless a procedure for such determination is set forth in another agreement between the Company and such Participant, in which case such procedure shall be used for such determination). If requested, the Participant shall be examined by a physician selected or approved by the Administrator, the cost of which examination shall be paid for by the Company.

21. EFFECT ON STOCK GRANTS AND STOCK-BASED AWARDS OF DEATH WHILE AN EMPLOYEE, DIRECTOR OR CONSULTANT.

Except as otherwise provided in a Participant's Agreement, the following rules apply in the event of the death of a Participant while the Participant is an Employee, director or Consultant of the Company or of an Affiliate: to the extent the forfeiture provisions or the Company's rights of repurchase have not lapsed on the date of death, they shall be exercisable; provided, however, that in the event such forfeiture provisions or rights of repurchase lapse periodically, such provisions or rights shall lapse to the extent of a pro rata portion of the Shares subject to such Stock Grant or Stock-Based Award through the date of death as would have

lapsed had the Participant not died. The proration shall be based upon the number of days accrued prior to the Participant's date of death.

22. PURCHASE FOR INVESTMENT.

Unless the offering and sale of the Shares shall have been effectively registered under the Securities Act, the Company shall be under no obligation to issue Shares under the Plan unless and until the following conditions have been fulfilled:

(a) The person who receives a Stock Right shall warrant to the Company, prior to the receipt of Shares, that such person is acquiring such Shares for his or her own account, for investment, and not with a view to, or for sale in connection with, the distribution of any such Shares, in which event the person acquiring such Shares shall be bound by the provisions of the following legend (or a legend in substantially similar form) which shall be endorsed upon the certificate evidencing the Shares issued pursuant to such exercise or such grant:

> "The shares represented by this certificate have been taken for investment and they may not be sold or otherwise transferred by any person, including a pledgee, unless (1) either (a) a Registration Statement with respect to such shares shall be effective under the Securities Act of 1933, as amended, or (b) the Company shall have received an opinion of counsel satisfactory to it that an exemption from registration under such Act is then available, and (2) there shall have been compliance with all applicable state securities laws."

(b) At the discretion of the Administrator, the Company shall have received an opinion of its counsel that the Shares may be issued in compliance with the Securities Act without registration thereunder.

23. DISSOLUTION OR LIQUIDATION OF THE COMPANY.

Upon the dissolution or liquidation of the Company, all Options granted under this Plan which as of such date shall not have been exercised and all Stock Grants and Stock-Based Awards which have not been accepted, to the extent required under the applicable Agreement, will terminate and become null and void; provided, however, that if the rights of a Participant or a Participant's Survivors have not otherwise terminated and expired, the Participant or the Participant's Survivors will have the right immediately prior to such dissolution or liquidation to exercise or accept any Stock Right to the extent that the Stock Right is exercisable or subject to acceptance as of the date immediately prior to such dissolution or liquidation. Upon the dissolution or liquidation of the Company, any outstanding Stock-Based Awards shall immediately terminate unless otherwise determined by the Administrator or specifically provided in the applicable Agreement.

24. ADJUSTMENTS.

Upon the occurrence of any of the following events, a Participant's rights with respect to any Stock Right granted to him or her hereunder shall be adjusted as hereinafter provided, unless otherwise specifically provided in a Participant's Agreement:

(a) Stock Dividends and Stock Splits. If (i) the shares of Common Stock shall be subdivided or combined into a greater or smaller number of shares or if the Company shall issue any shares of Common Stock as a stock dividend on its outstanding Common Stock, or (ii) additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Common Stock, each Stock Right and the number of shares of Common Stock deliverable thereunder shall be appropriately increased or decreased proportionately, and appropriate adjustments shall be made including, in the exercise or purchase price per share, to reflect such events. The number of Shares subject to the limitations in Paragraphs 3(a), 3(b) and 4(c) shall also be proportionately adjusted upon the occurrence of such events.

(b) Corporate Transactions. If the Company is to be consolidated with or acquired by another entity in a merger, consolidation, sale of all or substantially all of the Company's assets or the acquisition of all of the outstanding voting stock of the Company in a single transaction or a series of related transactions by a single entity other than a transaction to merely change the state of incorporation (a "Corporate Transaction"), the Administrator or the board of directors of any entity assuming the obligations of the Company hereunder (the "Successor Board"), shall, as to outstanding Options, either (i) make appropriate provision for the continuation of such Options by substituting on an equitable basis for the Shares then subject to such Options either the consideration payable with respect to the outstanding shares of Common Stock in connection with the Corporate Transaction or securities of any successor or acquiring entity; or (ii) upon written notice to the Participants, provide that such Options must be exercised (either (A) to the extent then exercisable or, (B) at the discretion of the Administrator, any such Options being made partially or fully exercisable for purposes of this Subparagraph), within a specified number of days of the date of such notice, at the end of which period such Options which have not been exercised shall terminate; or (iii) terminate such Options in exchange for payment of an amount equal to the consideration payable upon consummation of such Corporate Transaction to a holder of the number of shares of Common Stock into which such Option would have been exercisable (either (A) to the extent then exercisable or, (B) at the discretion of the Administrator, any such Options being made partially or fully exercisable for purposes of this Subparagraph) less the aggregate exercise price thereof. For purposes of determining the payments to be made pursuant to subsection (iii) above, in the case of a Corporate Transaction the consideration for which, in whole or in part, is other than cash, the consideration other than cash shall be valued at the fair value thereof as determined in good faith by the Board of Directors.

With respect to outstanding Stock Grants, the Administrator or the Successor Board, shall make appropriate provision for the continuation of such Stock Grants on the same terms and conditions by substituting on an equitable basis for the Shares then subject to such Stock Grants either the consideration payable with respect to the outstanding Shares of Common Stock in connection with the Corporate Transaction or securities of any successor or acquiring entity. In lieu of the foregoing, in connection with any Corporate Transaction, the Administrator may provide that, upon consummation of the Corporate Transaction, each outstanding Stock Grant shall be terminated in exchange for payment of an amount equal to the consideration payable upon consummation of such Corporate Transaction to a holder of the number of shares of Common Stock comprising such Stock Grant (to the extent such Stock Grant is no longer subject to any forfeiture or repurchase rights then in effect or, at the discretion of the Administrator, all forfeiture and repurchase rights being waived upon such Corporate Transaction).

In taking any of the actions permitted under this Paragraph 24(b), the Administrator shall not be obligated by the Plan to treat all Stock Rights, all Stock Rights held by a Participant, or all Stock Rights of the same type, identically.

(c) Recapitalization or Reorganization. In the event of a recapitalization or reorganization of the Company other than a Corporate Transaction pursuant to which securities of the Company or of another corporation are issued with respect to the outstanding shares of Common Stock, a Participant upon exercising an Option or accepting a Stock Grant after the recapitalization or reorganization shall be entitled to receive for the price paid upon such exercise or acceptance if any, the number of replacement securities which would have been received if such Option had been exercised or Stock Grant accepted prior to such recapitalization or reorganization.

(d) Adjustments to Stock-Based Awards. Upon the happening of any of the events described in Subparagraphs (a), (b) or (c) above, any outstanding Stock-Based Award shall be appropriately adjusted to reflect the events described in such Subparagraphs. The Administrator or the Successor Board shall determine the specific adjustments to be made under this Paragraph 24, including, but not limited to the effect of any Corporate Transaction and, subject to Paragraph 4, its determination shall be conclusive.

(e) Modification of Options. Notwithstanding the foregoing, any adjustments made pursuant to Subparagraph (a), (b) or (c) above with respect to Options shall be made only after the Administrator determines whether such adjustments would (i) constitute a "modification" of any ISOs (as that term is defined in Section 424(h) of the Code) or (ii) cause any adverse tax consequences for the holders of Options, including, but not limited to, pursuant to Section 409A of the Code. If the Administrator determines that such adjustments made with respect to Options would constitute a modification or other adverse tax consequence, it may refrain from making such adjustments, unless the holder of an Option specifically agrees in writing that such adjustment be made and such writing indicates that the holder has full knowledge of the consequences of such "modification" on his or her income tax treatment with respect to the Option. This paragraph shall not apply to the acceleration of the vesting of any ISO that would cause any portion of the ISO to violate the annual vesting limitation contained in Section 422(d) of the Code, as described in Paragraph 6(b)(iv).

25. ISSUANCES OF SECURITIES.

Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares subject to Stock Rights. Except as expressly provided herein, no adjustments shall be made for dividends paid in cash or in property (including without limitation, securities) of the Company prior to any issuance of Shares pursuant to a Stock Right.

26. FRACTIONAL SHARES.

No fractional shares shall be issued under the Plan and the person exercising a Stock Right shall receive from the Company cash in lieu of such fractional shares equal to the Fair Market Value thereof.

27. CONVERSION OF ISOs INTO NON-QUALIFIED OPTIONS; TERMINATION OF ISOs.

The Administrator, at the written request of any Participant, may in its discretion take such actions as may be necessary to convert such Participant's ISOs (or any portions thereof) that have not been exercised on the date of conversion into Non-Qualified Options at any time prior to the expiration of such ISOs, regardless of whether the Participant is an Employee of the Company or an Affiliate at the time of such conversion. At the time of such conversion, the Administrator (with the consent of the Participant) may impose such conditions on the exercise of the resulting Non-Qualified Options as the Administrator in its discretion may determine, provided that such conditions shall not be inconsistent with this Plan. Nothing in the Plan shall be deemed to give any Participant the right to have such Participant's ISOs converted into Non-Qualified Options, and no such conversion shall occur until and unless the Administrator takes appropriate action. The Administrator, with the consent of the Participant, may also terminate any portion of any ISO that has not been exercised at the time of such conversion.

28. WITHHOLDING.

In the event that any federal, state, or local income taxes, employment taxes, Federal Insurance Contributions Act ("F.I.C.A.") withholdings or other amounts are required by applicable law or governmental regulation to be withheld from the Participant's salary, wages or other remuneration in connection with the issuance of a Stock Right or Shares under the Plan or for any other reason required by law, the Company may withhold from the Participant's compensation, if any, or may require that the Participant advance in cash to the Company, or to any Affiliate of the Company which employs or employed the Participant, the statutory minimum amount of such withholdings unless a different withholding arrangement, including the use of shares of the Company's Common Stock or a promissory note, is authorized by the Administrator (and permitted by law). For purposes hereof, the fair market value of the shares withheld for purposes of payroll withholding shall be determined in the manner set forth under the definition of Fair Market Value provided in Paragraph 1 above, as of the most recent practicable date prior to the date of exercise. If the Fair Market Value of the shares withheld is less than the amount of payroll withholdings required, the Participant may be required to advance the difference in cash to the Company or the Affiliate employer. The Administrator in its discretion may condition the exercise of an Option for less than the then Fair Market Value on the Participant's payment of such additional withholding.

29. NOTICE TO COMPANY OF DISQUALIFYING DISPOSITION.

Each Employee who receives an ISO must agree to notify the Company in writing immediately after the Employee makes a Disqualifying Disposition of any Shares acquired pursuant to the exercise of an ISO. A Disqualifying Disposition is defined in Section 424(c) of the Code and includes any disposition (including any sale or gift) of such Shares before the later of (a) two years after the date the Employee was granted the ISO, or (b) one year after the date

the Employee acquired Shares by exercising the ISO, except as otherwise provided in Section 424(c) of the Code. If the Employee has died before such Shares are sold, these holding period requirements do not apply and no Disqualifying Disposition can occur thereafter.

30. TERMINATION OF THE PLAN.

The Plan will terminate on May 4, 2027, the date which is ten years from the earlier of the date of its adoption by the Board of Directors and the date of its approval by the shareholders of the Company. The Plan may be terminated at an earlier date by vote of the shareholders or the Board of Directors of the Company; provided, however, that any such earlier termination shall not affect any Agreements executed prior to the effective date of such termination. Termination of the Plan shall not affect any Stock Rights theretofore granted.

31. AMENDMENT OF THE PLAN AND AGREEMENTS.

The Plan may be amended by the shareholders of the Company. The Plan may also be amended by the Administrator, including, without limitation, to the extent necessary to qualify any or all outstanding Stock Rights granted under the Plan or Stock Rights to be granted under the Plan for favorable federal income tax treatment as may be afforded incentive stock options under Section 422 of the Code (including deferral of taxation upon exercise), and to the extent necessary to qualify the Shares issuable under the Plan for listing on any national securities exchange or quotation in any national automated quotation system of securities dealers; provided that any amendment approved by the Administrator which the Administrator determines is of a scope that requires shareholder approval shall be subject to obtaining such shareholder approval. Any modification or amendment of the Plan shall not, without the consent of a Participant, adversely affect his or her rights under a Stock Right previously granted to him or her. With the consent of the Participant affected, the Administrator may amend outstanding Agreements in a manner which may be adverse to the Participant but which is not inconsistent with the Plan. In the discretion of the Administrator, outstanding Agreements may be amended by the Administrator in a manner which is not adverse to the Participant. Nothing in this Paragraph 31 shall limit the Administrator's authority to take any action permitted pursuant to Paragraphs 4(g) and 24.

32. EMPLOYMENT OR OTHER RELATIONSHIP.

Nothing in this Plan or any Agreement shall be deemed to prevent the Company or an Affiliate from terminating the employment, director or consultancy status of a Participant, nor to prevent a Participant from terminating his or her own employment, director or consultancy status or to give any Participant a right to be retained in employment or other service by the Company or any Affiliate for any period of time.

33. SECTION 409A.

If a Participant is a "specified employee" as defined in Section 409A of the Code (and as applied according to procedures of the Company and its Affiliates) as of his separation from service, to the extent any payment under this Plan or pursuant to the grant of a Stock-Based Award constitutes deferred compensation (after taking into account any applicable exemptions from Section 409A of the Code), and to the extent required by Section 409A of the Code, no

payments due under this Plan or pursuant to a Stock-Based Award may be made until the earlier of: (i) the first day of the seventh month following the Participant's separation from service, or (ii) the Participant's date of death; provided, however, that any payments delayed during this six-month period shall be paid in the aggregate in a lump sum, without interest, on the first day of the seventh month following the Participant's separation from service.

The Administrator shall administer the Plan with a view toward ensuring that Stock Rights under the Plan that are subject to Section 409A of the Code comply with the requirements thereof and that Options under the Plan be exempt from the requirements of Section 409A of the Code, but neither the Administrator nor any member of the Board, nor the Company nor any of its Affiliates, nor any other person acting hereunder on behalf of the Company, the Administrator or the Board shall be liable to a Participant or any Survivor by reason of the acceleration of any income, or the imposition of any additional tax or penalty, with respect to a Stock Right, whether by reason of a failure to satisfy the requirements of Section 409A of the Code or otherwise.

34. INDEMNITY.

Neither the Board nor the Administrator, nor any members of either, nor any employees of the Company or any parent, subsidiary, or other Affiliate, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with their responsibilities with respect to this Plan, and the Company hereby agrees to indemnify the members of the Board, the members of the Committee, and the employees of the Company and its parent or subsidiaries in respect of any claim, loss, damage, or expense (including reasonable counsel fees) arising from any such act, omission, interpretation, construction or determination to the full extent permitted by law.

35. CLAWBACK.

Notwithstanding anything to the contrary contained in this Plan, the Company may recover from a Participant any compensation received from any Stock Right (whether or not settled) or cause a Participant to forfeit any Stock Right (whether or not vested) in the event that the Company's Clawback Policy then in effect is triggered.

36. GOVERNING LAW.

This Plan shall be construed and enforced in accordance with the law of the State of Delaware.

Exhibit 10.5

ADVISORY BOARD MEMBER AGREEMENT

Seth Rudnick, M.D.
13 Aronimink Lane, #5341
Pinehurst, NC 28374 Dear Dr.
Rudnick:

This ADVISORY BOARD MEMBER AGREEMENT (the ***"Agreement"),*** is made and entered into as of this 12th day of June 2018 and effective as of July 1, 2018 (the ***"Effective Date"),*** by and between G 1 Therapeutics, Inc., a Delaware corporation (the ***"Company"),*** and you. This Agreement becomes effective after that certain Advisory Board Member Agreement, effective July 1, 2016, by and between the Company and you, which expires by its terms on June 30, 2018.

1. Services. The Company wishes to retain your services as a member of the Company's Scientific Advisory Board ("SAB") and Clinical Advisory Board ("CAB"), pursuant to which you will be expected to attend any meetings of the SAB and CAB, and fulfill the additional responsibilities of an SAB and CAB member as described on Exhibit A and Exhibit Al, respectively attached hereto. This Agreement (including the exhibits hereto) shall constitute an agreement between you and the Company and contain all the terms and conditions relating to the services you are to provide.

2. Term. The Company expects that the term of this Agreement shall be for two years starting on the Effective Date and ending on June 30, 2020 (the ***"Term").*** Notwithstanding the foregoing, either you or the Company may terminate this Agreement at any time by providing the other at least thirty (30) days prior written notice, or as may be otherwise provided in this Agreement.

3. Consideration. As consideration for your services and other obligations during the Term, the Company will pay you cash compensation in the amount of Six Thousand Dollars ($6,000) annually, payable in two equal semi-annual installments (the***"Annual Fee").*** The Annual Fee installments shall be paid within thirty (30) days of receipt of an invoice from you. In addition, the Company shall pay you cash compensation for each SAB or CAB meeting attended, or any other advisory meeting requested by the Company, (the ***"Meeting Fee").*** The Meeting Fee will be equal to Three Thousand Dollars ($3,000) for each SAB or CAB meeting attended in person and One Thousand Five Hundred Dollars ($1,500) for each SAB or CAB meeting attended by phone or conference call. The Meeting Fee for any meetings that take place shall be paid within thirty (30) days of receipt of an invoice from you

4. Expenses. You shall be reimbursed for reasonable travel and other out-of-pocket expenses incurred by you in connection with your services under this Agreement, provided that (i) you provide receipts and other reasonable documentation as requested by the Company and (ii) any such expenses in excess of $500.00 must be approved in advance, either verbally or in writing by the Company. You will also be expected to abide by any travel and/or out-of-pocket expense guidelines that are provided to you by the Company. You are permitted to use your private aircraft at the IRS reimbursement rate with prior Company authorization, either verbally or in writing.

5. Independent Contractor. Your relationship with the Company shall be that of an independent contractor and you will not be considered an employee of the Company. You will not be eligible for any employee benefits, nor will the Company make deductions from payments made to you for any taxes or other withholding obligations, which shall be your responsibility. You shall not have authority to enter into contracts that bind the Company or create obligations on the part of the Company without the express, prior authorization of the Company.

6. Performance. All services to be performed by you will be as agreed between you and the Chief Executive Officer of the Company. Except as required for attendance at SAB and CAB meetings or specifically requested by the Company, the manner in which the services are to be performed and the specific hours to be worked shall be determined by you. You shall report to the Chief Executive Officer, or other Company officer designated by the Company, concerning your services performed under this Agreement.

7. Confidentiality. You shall keep in strict confidence and shall not disclose or make available to third parties any information, technical data, know-how or documents relating to (i) your services under this Agreement or (ii) the research, developments, inventions, processes, trade secrets, data, techniques, designs, drawings, products, product plans, services, customers, marketing, software, finances, business methods, business or affairs or confidential or proprietary information of the Company (other than information in the public domain through no fault of your own) (collectively, ***"Confidential Information"),*** except with the prior written consent of the Company, and you shall only use Confidential Information as necessary to perform services on behalf of the Company under this Agreement or any other agreement pursuant to which you are providing services on behalf of the Company. Upon termination of this Agreement, you will destroy or return to the Company all documents and other materials related to the services provided hereunder or furnished to you by the Company provided that, in the event of your continued service to the Company in another capacity following the termination of this Agreement, you shall be permitted to retain any such property to the extent it is necessary to fulfill your obligations to the Company in such other capacity, subject to the terms and conditions governing such continued service to the Company. Your obligations under this Paragraph 7 shall survive termination of this Agreement for a period of three (3) years from the date of termination.

8. Intellectual Property. You shall promptly disclose and hereby transfer and assign to the Company all right, title and interest to all techniques, methods, processes, software, documents, formulae, improvements, inventions and discoveries (and any patents issuing thereon) made or conceived or reduced to practice by you, solely or jointly with others, in the course of providing services hereunder or with the use of materials or facilities of the Company, during the period of this Agreement, and all intellectual property rights related to any of the foregoing (collectively ***"Inventions").*** You shall not publish any such Invention without the Company's prior written consent. When requested by the Company, you will make available to the Company all papers, notes, drawings, data and other information relating to any such Inventions. You will promptly sign any documents (including U.S. and foreign copyright, trademark and patent assignments) requested by the Company related to the above assignment of rights and such Inventions and will cooperate with the Company at the Company's request and expense in preparation and prosecution of any U.S. or foreign copyright, trademark or patent applications

related to such rights and Inventions. Your obligations under this Paragraph 8 shall survive termination of this Agreement for the period of three (3) years from the date of termination.

9. Notice of Consulting Activities. You acknowledge that the services to be performed for the Company hereunder are essential to the Company and, therefore, during the term hereof, you will provide prior written notice to the Company of any consulting projects for companies whose business would be, "Directly Competitive" with the business of the Company. Following its receipt of such notification, the Company may terminate this Agreement at any time effective immediately. "Directly Competitive" shall mean companies that engage in the research and development and/or sale of selective CDK4/6 inhibitors. The Company acknowledges your commitments to Liquidia (and any of its derivative companies), Aralez Pharmaceuticals, Square 1 Bank, Emory's DRIVE Enterprise, Meryx and Abyrx are not being directly competitive to this Company.

10. Amendment. Any amendment to this Agreement must be in a writing signed by you and the Company.

11. Notice. All notices, requests and other communications called for by this Agreement shall be deemed to have been given when received if made in writing and mailed, return receipt requested, postage prepaid, if to you at the address set forth above and if to the Company to 79 TW Alexander Drive, 4501 Research Commons, Suite 100, Research Triangle Park, North Carolina 27709, or to such other addresses as either party shall specify to the other.

12. Indemnification. You agree to indemnify and hold the Company harmless from all claims, losses, expenses, fees including reasonable attorneys' fees, costs and judgments that may be asserted against the Company that result from the acts or omissions of you under this Agreement. The Company agrees to indemnify and hold you harmless from all claims, losses, expenses, fees, including reasonable attorneys' fees, costs and judgments, that may be asserted against you that relate to the Company except such claims, losses, expenses and fees that result from your acts or omissions under this Agreement.

13. Governing Law; Jurisdiction. This Agreement shall be interpreted and construed in accordance with the laws of the State of North Carolina, excluding that body of law known as choice of law. All disputes with respect to this Agreement shall be brought and heard either in the North Carolina state courts located in Orange County, North Carolina, or the federal district court for the Eastern District of North Carolina located in Raleigh, North Carolina. The parties to this Agreement each consent to the in personam jurisdiction and venue of such courts. The parties agree that service of process upon them in any such action may be made if delivered in person, by courier service, by telegram, by telefacsimile or by first class mail, and shall be deemed effectively given upon receipt.

14. Entire Agreement. This Agreement is the entire agreement between the parties regarding the subject matter hereof and there are no other promises or conditions in any other agreement whether oral or written. This Agreement supersedes any prior consulting or other agreements with respect to the subject matter hereof between you and the Company.

15. Assignment. This Agreement shall be for the benefit of, and shall be binding upon, the successors and assigns of the parties hereto. You agree not to assign this Agreement without the prior written consent of the Company.

(Signature Page Follows)

(Signature Page to Advisory Board Member Agreement)

If this Agreement is satisfactory, please indicate your acceptance of these terms by your signature below.

Very truly yours,

G1 THERAPEUTICS, INC.

By: __*/s/ Mark Velleca, MD, PhD*__
Name: Mark Velleca, MD, PhD Title: Chief Executive Officer

AGREED AND ACCEPTED:

Seth Rudnick M.D.
(Typed or printed name)

/s/ Seth Rudnick M.D.
_____
(Signature)

EXHIBIT A

Advisor's Responsibilities - SAB

As a member of the Company's Scientific Advisory Board, Seth Rudnick (the "Advisor") will make best efforts to:

1. Attend meetings of the Scientific Advisory Board expected to take place approximately twice per year.

2. Provide guidance and advice to the Company on scientific and technological matters and developments potentially relevant to the Company's business and areas of research and development and otherwise as either the Company or Advisor considers appropriate.

3. Develop, review and comment on the Company's strategies for research and development, product definition, regulatory approvals, business development and marketing, as well as its related presentations and materials.

4. Provide consulting services to the Company at its request, including a reasonable amount of informal consultation in person, over the telephone, by email, or otherwise as requested by the Company at times reasonably convenient to Advisor.

5. With the Company's approval in each instance, make introductions to individuals and corporations that might be of assistance to the Company.

EXHIBIT A-1

ADVISOR'S RESPONSIBILITIES - CAB

As a member of the Company's Clinical Advisory Board, Seth Rudnick (the ***"Advisor")*** will make best efforts to:

1. Attend all Clinical Advisory Board meetings.

2. Provide any material reasonably requested by the Company that is relevant to the Company's clinical development/testing plans and to which Advisor has reasonable access.

3. Review and comment on the Company's clinical development/testing plans.

4. Other services related to the Company's clinical development programs to be provided as appropriate and/or requested by the Company, in each case subject to a written addendum to this agreement setting forth the particular services and the compensation to be paid for such services.

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, Mark A. Velleca, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of G1 Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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 small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) 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 small business issuer's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2018

By: /s/ Mark A. Velleca, M.D., Ph.D.
Mark A. Velleca, M.D., Ph.D.
President and Chief Executive Officer
(Principal 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, Barclay A. Phillips, certify that:

1. I have reviewed this Quarterly Report on 10-Q of G1 Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2018

By: /s/ Barclay A. Phillips
Barclay A. Phillips
Chief Financial Officer and Senior Vice President, Corporate Development
(Principal 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

In connection with the Quarterly Report of G1 Therapeutics, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 8, 2018

By: /s/ Mark A. Velleca, M.D., Ph.D.
Mark A. Velleca, M.D., Ph.D.
President and Chief Executive Officer
(Principal Executive Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of G1 Therapeutics, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

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

In connection with the Quarterly Report of G1 Therapeutics, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 8, 2018

By: /s/ Barclay A. Phillips
Barclay A. Phillips
Chief Financial Officer and Senior Vice President, Corporate Development
(Principal Financial Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of G1 Therapeutics, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.