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, 2020

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.)**

700 Park Offices Drive, Suite 200
Research Triangle Park, NC 27709
(Address of principal executive offices including zip code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	GTHX	The Nasdaq Stock Market

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 every Interactive Data File required to be submitted 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 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	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

As of July 31, 2020, the registrant had 38,014,603 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 (unaudited)
(in thousands, except share and per share amounts)

	June 30, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	$ 234,267	$ 269,208
Restricted cash	63	63
Prepaid expenses and other current assets	5,761	1,732
Total current assets	240,091	271,003
Property and equipment, net	3,213	3,538
Restricted cash	437	437
Operating lease assets	8,495	9,853
Other assets	1,361	—
Total assets	$ 253,597	$ 284,831
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 2,816	$ 3,684
Accrued expenses	18,306	15,403
Other current liabilities	802	682
Total current liabilities	21,924	19,769
Loan payable	19,453	—
Operating lease liabilities	8,375	9,535
Total liabilities	49,752	29,304
Stockholders' equity		
Common stock, $0.0001 par value, 120,000,000 shares authorized as of June 30, 2020 and December 31, 2019, respectively; 37,939,066 and 37,638,260 shares issued as of June 30, 2020 and December 31, 2019, respectively; 37,912,400 and 37,611,594 shares outstanding as of June 30, 2020 and December 31, 2019, respectively	4	4
Treasury stock, 26,666 shares	(8)	(8)
Additional paid-in capital	602,935	592,384
Accumulated deficit	(399,086)	(336,853)
Total stockholders' equity	203,845	255,527
Total liabilities and stockholders' equity	$ 253,597	$ 284,831

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,	
	2020	2019	2020	2019
License revenue - related party	$ 2,140	$ —	$ 2,140	$ —
Operating expenses:				
Research and development	18,531	23,489	38,965	41,569
General and administrative	14,431	9,094	25,818	16,896
Total operating expenses	32,962	32,583	64,783	58,465
Loss from operations	(30,822)	(32,583)	(62,643)	(58,465)
Other income (expense):				
Interest income	91	1,893	872	3,809
Interest expense	(265)	—	(265)	—
Other income (expense)	(214)	—	(197)	14
Total other income (expense), net	(388)	1,893	410	3,823
Net loss	$ (31,210)	$ (30,690)	$ (62,233)	$ (54,642)
Net loss per share, basic and diluted	$ (0.83)	$ (0.82)	$ (1.65)	$ (1.46)
Weighted average common shares outstanding, basic and diluted	37,786,208	37,470,926	37,722,965	37,434,156

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

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

	Common stock		Treasury stock		Additional paid-in capital	Accumulated deficit	Total stock-holders' equity
	Shares	Amount	Shares	Amount			
Balance at December 31, 2019	**37,638,260**	**$ 4**	**(26,666)**	**$ (8)**	**$ 592,384**	**$ (336,853)**	**$ 255,527**
Exercise of common stock options	125,666	—	—	—	219	—	219
Stock-based compensation		—	—	—	4,727	—	4,727
Net loss during quarter	—	—	—	—	—	(31,023)	(31,023)
Balance at March 31, 2020	**37,763,926**	**$ 4**	**(26,666)**	**$ (8)**	**$ 597,330**	**$ (367,876)**	**$ 229,450**
Exercise of common stock options	175,140	—	—	—	1,238	—	1,238
Stock-based compensation	—	—	—	—	4,367	—	4,367
Net loss during quarter	—	—	—	—	—	(31,210)	(31,210)
Balance at June 30, 2020	**37,939,066**	**4**	**(26,666)**	**(8)**	**602,935**	**(399,086)**	**203,845**

	Common stock		Treasury stock		Additional paid-in capital	Accumulated deficit	Total stock-holders' equity
	Shares	Amount	Shares	Amount			
Balance at December 31, 2018	**37,268,792**	**$ 4**	**(26,666)**	**$ (8)**	**$ 573,230**	**$ (214,406)**	**$ 358,820**
Exercise of common stock options	218,890	—	—	—	269	—	269
Stock-based compensation	—	—	—	—	3,804	—	3,804
Net loss during quarter	—	—	—	—	—	(23,952)	(23,952)
Balance at March 31, 2019	**37,487,682**	**$ 4**	**(26,666)**	**$ (8)**	**$ 577,303**	**$ (238,358)**	**$ 338,941**
Exercise of common stock options	42,925	—	—	—	678	—	678
Stock-based compensation	—	—	—	—	3,741	—	3,741
Net loss during quarter	—	—	—	—	—	(30,690)	(30,690)
Balance at June 30, 2019	**37,530,607**	**4**	**(26,666)**	**(8)**	**581,722**	**(269,048)**	**312,670**

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,	
	2020	**2019**
Cash flows from operating activities		
Net loss	$ (62,233)	$ (54,642)
Adjustments to reconcile net loss to net cash used in operating activities		
Stock-based compensation	9,094	7,545
Depreciation and amortization	317	129
Loss on disposal of fixed assets	8	—
Amortization of debt issuance costs	88	—
Non-cash interest expense	177	—
Non-cash equity interest, net	(926)	—
Change in operating assets and liabilities		
Prepaid expenses and other assets	(622)	(1,828)
Accounts payable	(868)	(713)
Accrued expenses and other liabilities	(908)	5,075
Net cash used in operating activities	(55,873)	(44,434)
Cash flows from investing activities		
Purchases of property and equipment	—	(392)
Net cash used in investing activities	—	(392)
Cash flows from financing activities		
Proceeds from stock options exercised	1,457	947
Proceeds from loan agreement	20,000	—
Payments of debt issuance costs	(525)	—
Net cash provided by financing activities	20,932	947
Net change in cash, cash equivalents and restricted cash	(34,941)	(43,879)
Cash, cash equivalents and restricted cash		
Beginning of period	269,708	369,290
End of period	$ 234,767	$ 325,411
Non-cash operating, investing and financing activities		
Upfront project costs and other current assets in accounts payable and accrued expenses	2,500	522
Purchases of equipment in accounts payable	—	106
Debt issuance costs included in accrued expenses	95	—

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

1. Business Description

G1 Therapeutics, Inc. (the "Company") is a clinical-stage biopharmaceutical company based in Research Triangle Park, North Carolina focused on 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 is advancing three clinical-stage programs. Trilaciclib is a first-in-class therapy designed to improve outcomes for patients who are treated with chemotherapy. Rintodestrant is a potential best-in-class oral selective estrogen receptor degrader (SERD) for the treatment of estrogen receptor-positive (ER+) breast cancer. Lerociclib is a differentiated oral CDK4/6 inhibitor designed to enable more effective combination treatment strategies across multiple oncology indications, including ER+, HER2-negative (HER2-) breast cancer. The Company also has intellectual property focused on cyclin-dependent kinase targets.

Trilaciclib, the Company's most advanced clinical-stage candidate, is a first-in-class therapy designed to preserve bone marrow and immune system function during chemotherapy and improve patient outcomes. The U.S. Food and Drug Administration (FDA) has granted Breakthrough Therapy Designation for trilaciclib based on myelopreservation data from three randomized, double-blind, placebo-controlled small cell lung cancer (SCLC) clinical trials, as well as safety data collected across all completed and ongoing clinical trials. The Breakthrough Therapy program is designed to expedite development and review of drugs intended for serious or life-threatening conditions. In June 2020, the Company submitted a New Drug Application (NDA) for trilaciclib in small cell lung cancer to the FDA. The Company entered into a three-year co-promotion agreement for trilaciclib in the United States and Puerto Rico with Boehringer Ingelheim in June 2020. Under the terms of the agreement, G1 will book revenue in the United States and Puerto Rico and retain development and commercialization rights to trilaciclib. G1 will lead marketing, market access and medical engagement initiatives; Boehringer Ingelheim will lead sales force engagements. The agreement is limited to support for small cell lung cancer. In addition, discussions with European regulatory authorities have indicated existing data is sufficient to support a Marketing Authorization Application (MAA) to the European Medicines Agency (EMA) for trilaciclib for myelopreservation in SCLC, which the Company plans to pursue in collaboration with a partner. In September 2019, the Company presented updated data from a randomized Phase 2 trial of trilaciclib in combination with chemotherapy in metastatic triple-negative breast cancer (mTNBC). The results of the trial demonstrated significant improvement in overall survival, or (OS) (preliminary). Though the trial did not meet the primary myelopreservation endpoints, patients receiving trilaciclib were able to receive approximately 50% more cycles of chemotherapy, without additional hematological toxicity. These data were presented at the 2019 European Society for Medical Oncology (ESMO) Congress and were concurrently published in The Lancet Oncology. In January 2020, the Company announced that trilaciclib is being included in a new randomized, investigational treatment arm for the ongoing I-SPY 2 TRIAL™ for neoadjuvant treatment of locally advanced breast cancer. The trial, which was initiated in the second quarter of 2020, and run by the non-profit Quantum Leap Healthcare Collaborative, is designed to rapidly screen promising experimental treatments and identify those most effective in specific patient subgroups based on molecular characteristics (biomarker signatures). The Company is planning to initiate a randomized, placebo-controlled Phase 3 trial of trilaciclib in colorectal cancer in the fourth quarter of 2020. In August 2020, the Company entered into an exclusive license agreement with Nanjing Simcere Dongyuan Pharmaceutical Co., Ltd ("Simcere") for development and commercialization rights for trilaciclib in all indications in Greater China (mainland China, Hong Kong, Macau and Taiwan). Under the terms of the agreement, the Company will receive an upfront payment of $14.0 million and be eligible to receive up to $156.0 million in development and commercial milestone payments. Simcere will also pay the Company tiered low double-digit royalties on annual net sales of trilaciclib in Greater China. As part of this agreement, Simcere will participate in global clinical trials of trilaciclib and the companies will be responsible for all development and commercialization costs in their respective territories.

The Company is developing rintodestrant, a potential best-in-class oral SERD, as a monotherapy and in combination with the CDK4/6 inhibitors, initially Ibrance® (palbociclib), for the treatment of ER+ breast cancer. In 2018, the Company initiated a Phase 1/2a (dose escalation/dose expansion) clinical trial in ER+, HER2- breast cancer. Preliminary data from the Phase 1 potion of this trial were presented at the 2019 ESMO Congress, showing that rintodestrant was well tolerated and demonstrated evidence of anti-tumor activity in heavily pre-treated patients. The Company has completed enrollment of the dose escalation and dose expansion portions of the trial, and based on these findings the Company plans to advance an 800 mg dose of rintodestrant in future trials. The Company plans to present additional safety and efficacy data from this trial in the fourth quarter of 2020. The Company initiated enrollment of patients receiving rintodestrant in combination with palbociclib in the second quarter of 2020. Palbociclib is being provided under a non-exclusive clinical supply agreement that was signed with Pfizer in February 2020.

Lerociclib is a differentiated oral CDK4/6 inhibitor being developed for use in combination with other targeted therapies in multiple oncology indications, including ER+, HER2- breast cancer. The Company reported encouraging updated results from its Phase 1/2 trial in ER+, HER2- breast cancer (in combination with fulvestrant) at the 2019 San Antonio Breast Cancer Symposium. The Company also initiated a Phase 1b combination trial with the epidermal growth factor receptor (EGFR) inhibitor, Tagrisso® (osimertinib) in non-small cell lung cancer. Initial safety and tolerability data from this trial were presented at the 2019 ESMO Congress. In 2020, the Company entered into separate, exclusive agreements with EQRx, Inc. (rights for U.S., Europe, Japan and all markets outside Asia-Pacific) and Genor Biopharma Co. Inc. (rights for Asia-Pacific, excluding Japan) for the development and commercialization of lerociclib in all indications. Combined, these agreements provide $26.0 million in upfront payments to the Company, and up to $330.0 million in potential milestone payments, plus sales-based royalties. EQRx, Inc. and Genor Biopharma Co. Inc. are responsible for all costs related to the development and commercialization of lerociclib in their respective territories.

The Company also entered into an exclusive license agreement with ARC Therapeutics, LLC ("ARC"), a company primarily owned by a related party, in May 2020. The Company granted ARC an exclusive, worldwide, royalty-bearing license of its CDK2 inhibitor compounds in exchange for an upfront payment and equity in ARC with a total value of approximately $2.1 million, which resulted in the recognition of related party revenue as discussed in Note 10. The Company is entitled to receive an additional milestone payment and sales-based royalties, and has right of first negotiation to re-acquire these assets.

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, 2020, and for the three and six months ended June 30, 2020 and 2019, is unaudited. The results for the six months ended June 30, 2020 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, 2019 filed with the SEC on February 26, 2020, (collectively, "2019 Form 10-K"). The December 31, 2019 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. Certain amounts have been reclassified to conform to current presentation.

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.

Revenue Recognition

For elements of those arrangements that we determine should be accounted for under ASC 606, *Revenue from Contracts with Customers* ("ASC 606"), we assess which activities in our license or collaboration agreements are performance obligations that should be accounted for separately and determine the transaction price of the arrangement, which includes the assessment of the probability of achievement of future milestones and other potential consideration. For arrangements that include multiple performance obligations, such as granting a license or performing manufacturing or research and development activities, we allocate the transaction price based on the relative standalone selling price and recognize revenue that is allocated to the respective performance obligation when (or as) control is transferred to the customer and the performance obligation is satisfied. Accordingly, we develop assumptions that require judgment to determine the standalone selling price for each performance obligation identified in the contract. These key assumptions may include revenue forecasts, clinical development timelines and costs, discount rates and probabilities of clinical and regulatory success.

Licenses of intellectual property

If a license to the Company's intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, the Company recognizes revenue allocated to the license when the license is transferred to the customer and the customer is able to use and benefit from the license. For licenses that are bundled with other promises, the Company utilizes judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue associated with the bundled performance obligation. The Company evaluates the measure of progress each reporting period and, if necessary, adjusts the measure of progress and related revenue recognition.

Milestone Payments

At the inception of each arrangement that includes developmental and regulatory milestone payments, the Company evaluates whether the achievement of each milestone specifically relates to the Company's efforts to satisfy a performance obligation or transfer a distinct good or service within a performance obligation. The Company evaluates each milestone to determine when and how much of the milestone to include in the transaction price. The Company first estimates the amount of the milestone payment that the Company could receive using either the expected value or the most likely amount approach. The Company primarily uses the most likely amount approach as that approach is generally most predictive for milestone payments with a binary outcome. Then, the Company considers whether any portion of that estimated amount is subject to the variable consideration constraint (that is, whether it is probable that a significant reversal of cumulative revenue would not occur upon resolution of the uncertainty). The Company updates the estimate of variable consideration included in the transaction price at each reporting date which includes updating the assessment of the likely amount of consideration and the application of the constraint to reflect current facts and circumstances.

Royalties

For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Company will recognize revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied). To date, the Company has not recognized any revenue related to sales-based royalties or milestone payments based on the level of sales.

Research and Development

Research and development expenses consist of costs incurred to further the Company's research and development activities and include salaries and related employee benefits, manufacturing of pharmaceutical active ingredients and drug products, costs associated with clinical trials, nonclinical activities, regulatory activities, research-related overhead expenses and fees paid to expert consultants, external service providers and contract research organizations which conduct certain research and development activities on behalf of the Company. Costs incurred in the research and development of products are charged to research and development expense as incurred.

Each reporting period, management estimated and accrued research and development expenses, including external clinical study costs associated with clinical trial activities. The process of estimating and accruing expenses involves reviewing contracts and purchase orders, identifying services that have been provided on the Company's behalf, and estimating the level of service performed and the associated cost incurred for the service when the Company has not yet been invoiced or otherwise notified of the actual costs.

Costs for clinical trial activities were estimated based on an evaluation of vendors' progress towards completion of specific tasks, using data such as patient enrollment, clinical site activations or information provided by vendors regarding their actual costs incurred. Payments for these activities are based on the terms of individual contracts and payment timing may differ significantly from the period in which the services were performed. The Company determines accrual estimates through reports from and discussions with applicable personnel and outside service providers as to the progress or state of completion of trials, or the services completed. The estimates of accrued external clinical study costs as of each balance sheet date are based on the facts and circumstances known at the time.

Income Taxes

The Company did not record a federal or state income tax benefit for the six months ended June 30, 2020 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, 2020 and December 31, 2019, 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, 2020 and December 31, 2019, 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.

Debt Issuance Costs

Debt issuance costs are amortized to interest expense over the estimated life of the related debt based on the effective interest method. In accordance with ASC 835, *Interest*, we present debt issuance costs on the condensed balance sheet as a direct deduction from the associated debt.

Coronavirus (COVID-19) Impact on Operations

The Company has implemented business continuity plans to address the COVID-19 pandemic and minimize disruptions to ongoing operations. Initiation of two clinical trials, the rintodestrant/palbociclib combination trial and the I-SPY 2 trial, began in the second quarter of 2020 as scheduled. Initial enrollment of these trials is likely to be impacted by COVID-19. The Company does not anticipate significant supply chain delays or shortages as a result of the COVID-19 pandemic.

Recent Accounting Pronouncements

Recently Adopted Accounting Standards

In August 2018, the FASB issued ASU No. 2018-15, *Goodwill and Other—Internal-Use Software* (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract ("ASU 2018-15"). The FASB issued ASU 2018-15 to align the requirements for capitalizing implementation costs incurred in a cloud-based hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). ASU 2018-15 became effective for annual and interim reporting periods beginning after December 15, 2019. The Company adopted ASU 2018-15 on January 1, 2020 using the prospective method of adoption, and the adoption did not have a material impact to the financial statements.

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, 2020 and December 31, 2019 these financial instruments and respective fair values have been classified as follows (in thousands):

	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, 2020
Assets				
Money market funds	$ 216,815	$ —	$ —	$ 216,815
Certificates of Deposit	15,957	—	—	15,957
Total assets at fair value:	$ 232,772	$ —	$ —	$ 232,772

	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, 2019
Assets				
Money market funds	$ 252,563	$ —	$ —	$ 252,563
Certificates of Deposit	15,873	—	—	15,873
Total assets at fair value:	$ 268,436	$ —	$ —	$ 268,436

During the three and six months ended June 30, 2020 and the year ended December 31, 2019, there were no changes in valuation methodology.

4. Property and Equipment

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

	June 30, 2020	December 31, 2019
Computer equipment	330	332
Laboratory equipment	862	871
Furniture and fixtures	1,071	1,071
Leasehold improvements	1,941	1,941
Accumulated depreciation	(991)	(677)
Property and equipment, net	$ 3,213	$ 3,538

Depreciation expense relating to property and equipment was $158 thousand and $317 thousand for the three and six months ended June 30, 2020, respectively, and $65 thousand and $129 thousand for the three and six months ended June 30, 2019, 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. In addition, the University is eligible to receive milestone payments of up to $2.6 million related to the initiation and execution of clinical trials and the first commercial sale of a product in another country. To date, the Company has made milestone payments totaling $0.6 million, of which $0 million was incurred during the current quarter. The Company will be responsible for any future patent prosecution costs that may arise.

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 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 within 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, 2020	December 31, 2019
Accrued external research	$ 2,206	$ 2,737
Accrued professional fees and other	7,527	1,487
Accrued external clinical study costs	6,764	7,996
Accrued compensation expense	1,809	3,183
Accrued expenses	$ 18,306	$ 15,403

7. Loan Payable

On May 29, 2020, the Company entered into a loan and security agreement (the "Loan Agreement") with Hercules Capital, Inc. ("Hercules"), under which Hercules has agreed to lend the Company up to $100.0 million, to be made available in a series of tranches, subject to certain terms and conditions. The first tranche totals $30.0 million, of which the Company received $20.0 million at closing. Upon satisfaction of certain milestones, the second tranche of $20.0 million will become available to the Company for drawdown through December 15, 2021. The third tranche of $30.0 million will be available based on the Company's maintenance of specified covenants through December 31, 2022. The fourth tranche of $20.0 million will be available at Hercules' approval through December 31, 2022.

Amounts borrowed under the Loan Agreement will bear an interest rate equal to the greater of either (i) (a) the prime rate as reported in The Wall Street Journal, plus (b) 6.40%, and (ii) 9.65%. The Company will make interest only payments through June 1, 2022. The interest only period may be extended through January 1, 2023 upon satisfaction of certain milestones. Following the interest only period, the Company will repay the principal balance and interest of the advances in equal monthly installments through June 1, 2024.

The Company may prepay advances under the Loan Agreement, in whole or in part, at any time subject to a prepayment charge equal to (a) 3.0% of the prepayment amount in the first year; (b) 2.0% of the prepayment amount in the second year; and (b) 1.0% of the prepayment amount in the third year.

Upon prepayment or repayment of all or any of the advances under the Loan Agreement, the Company will pay (in addition to the prepayment charge) an end of term charge of 6.95% of the aggregate funded amount. With respect to the first tranche, the end of term charge of $2.1 million will be payable upon any prepayment or repayment. To the extent that the Company is provided additional advances under the Loan Agreement, the 6.95% end of term charge will be applied to such additional amounts. These amounts will be accrued over the term of the loan using effective-interest method.

The Loan Agreement is secured by substantially all of the Company's assets, including intellectual property, subject to certain exemptions. The Company is permitted to out-license lerociclib in arms-length transactions and the Company is permitted to out-license rintodestrant upon approval of the licensing terms by Hercules.

The Company incurred financing expenses of $0.4 million related to the Loan Agreement which are recorded as debt issuance costs and as a direct reduction to long-term debt on the Company's unaudited condensed balance sheet. Additionally, the Company is treating a portion of the upfront facility fee that related to the initial $20.0 million drawn as a debt discount and treating it in the same way as debt issuance costs. The remainder of the facility fee is related to future undrawn tranches and is accounted for as a deferred financing charge.

Upon issuance, the first tranche was recorded as a liability with an initial carrying value of $19.4 million, net of debt discount and debt issuance costs. The initial carrying value will be accreted to the repayment amount, which includes the outstanding principal plus the end of term charge, through interest expense using the effective-interest method over the term of the debt. During the six months ended June 30, 2020, the Company recognized $0.3 million of interest expense related to the Loan Agreement, which is reflected in other income (expense), net on the unaudited condensed statements of operations.

As of June 30, 2020 the future principal payments due under the Loan Agreement, excluding interest, are as follows:

	Amount
Remainder of 2020	$ —
2021	—
2022	4,631
2023	9,972
2024	5,397
Total principal outstanding	20,000
End of term charge	56
Unamortized debt issuance costs	(603)
Total	19,453

8. Stockholders' Equity

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, 2020, 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, 2020	December 31, 2019
Common stock options outstanding	6,539,518	5,744,036
Options available for grant under Equity Incentive Plans	1,239,003	938,738
	7,778,521	6,682,774

9. 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, 2020, and in accordance with the "evergreen" provision of the 2017 plan, an additional 1,096,553 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, 2020, there were a total of 1,239,003 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.

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, 2020 and June 30, 2019:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Expected volatility	78.5 - 79.7%	74.2 - 77.0%	74.8 - 79.7%	74.2 - 82.1%
Weighted-average risk free rate	0.4%	1.9 - 2.4%	0.4 - 1.7%	1.9 - 2.6%
Dividend yield	—%	—%	—%	—%
Expected term (in years)	5.68	5.82	6.01	6.0

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,	
	2020	2019	2020	2019
Research and development	$ 1,834	$ 1,507	$ 3,634	$ 3,002
General and administrative	2,533	2,234	5,460	4,543
Total stock-based compensation expense	$ 4,367	$ 3,741	$ 9,094	$ 7,545

Stock Option Activity

Stock option activity for the six months ended June 30, 2020 is as follows:

	Options outstanding	Weighted average exercise price	Weighted average Remaining contractual life (Years)	Weighted average Aggregate intrinsic value (in thousands)
Balance as of December 31, 2019	5,744,036	$ 16.88	7.5	$ 72,251
Cancelled	(506,749)	$ 32.74		
Granted	1,603,037	18.35		
Exercised	(300,806)	4.84		
Balance as of June 30, 2020	6,539,518	$ 16.57	7.6	$ 65,133
Exercisable at December 31, 2019	3,001,179	8.93	6.1	$ 58,797
Vested at December 31, 2019 and expected to vest	5,744,036	16.88	7.5	$ 72,251
Exercisable at June 30, 2020	3,290,661	10.61	6.1	$ 51,632
Vested at June 30, 2020 and expected to vest	6,539,518	16.57	7.6	$ 65,133

10. License Revenue

ARC License Agreement

On May 22, 2020, the Company entered into an exclusive license agreement with ARC Therapeutics, LLC ("ARC"), a company primarily owned by a related party, whereby G1 granted to ARC an exclusive, worldwide, royalty-bearing license, with the right to sublicense, solely to make, have made, use, sell, offer for sale, import, export, and commercialize products related to its cyclin dependent kinase 2 ("CDK2") inhibitor compounds. At close, G1 received consideration in the form of an upfront payment of $1.0 million and an equity interest in ARC equal to 10% of its issued and outstanding units. In addition, the Company may receive a future development milestone payment totaling $2.0 million and royalty payments in the mid-single digits based on net sales of the licensed compound after commercialization. The Company has right of first negotiation to re-acquire these assets.

The Company assessed the license agreement in accordance with ASC 606 and identified one performance obligation in the contract, which is the transfer of the license, as ARC can benefit from the license using its own resources. The Company recognized $2.1 million in license revenue consisting of the upfront payment and the 10% equity interest in ARC upon the effective date as the Company determined the license was a right to use the intellectual property and the Company had provided all necessary information to ARC to benefit from the license.

The Company considers the future potential development milestones and sales-based royalties to be variable consideration. The development milestone is excluded from the transaction price because it determined the payment to be fully constrained under ASC 606 due to the inherent uncertainty in the achievement of such milestone due to factors outside of the Company's control. As sales-based royalties are all related to the license of the intellectual property, the Company will recognize revenue in the period when subsequent sales are made pursuant to the sales-based royalty exception. The Company will re-evaluate the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur. As of June 30, 2020, the Company had received the upfront cash payment and the equity interest, and there are no contract assets or liabilities related to this agreement.

Genor License Agreement

On June 15, 2020, the Company entered into an exclusive license agreement with Genor Biopharma Co. Inc. ("Genor") for the development and commercialization of lerociclib in the Asia-Pacific region, excluding Japan (the "Licensed Territory"). Under the license agreement, the Company granted to Genor an exclusive, royalty-bearing, non-transferable license, with the right to grant sublicenses, to develop, obtain, hold and maintain regulatory approvals for, and commercialize lerociclib, in the Licensed Territory.

Under the license agreement, Genor agreed to pay the Company a non-refundable, upfront cash payment of $6.0 million with the potential to pay an additional $40.0 million upon reaching certain development and commercial milestones. In addition, Genor will pay the Company tiered royalties ranging from high single to low double-digits based on annual net sales of lerociclib in the Licensed Territory. The upfront cash payment is payable within 30 days of the effective date of the license agreement. In return, the Company will furnish to Genor the related know-how that is necessary to develop, seek regulatory approval for, or commercialize lerociclib in the Licensed Territory. Genor will be responsible for the development of product in the Licensed Territory and will be responsible, at its sole cost, for obtaining supply of lerociclib to meet its development, regulatory approval for, and commercialization obligations under the agreement.

The Company assessed the license agreement in accordance with ASC 606 and identified the following promises under the contract: (i) to transfer the license, (ii) technology transfer and the transfer of related know-how to occur within 60 days of the effective date of the license agreement, and (iii) the sale and delivery of certain existing inventory specified in the agreement. The Company assessed the promised goods and services to determine if they are distinct. Based on this assessment, the Company determined that Genor cannot benefit from the license separate from the technology transfer and related know-how as they are highly interrelated and therefore not distinct. Accordingly, the transfer of the license and the related know-how represent one combined performance obligation.

In accordance with ASC 606, the Company determined the transaction price at contract inception. The Company considers the future potential development and sales milestones, as well as the sales-based royalties to be variable consideration. The Company excluded the regulatory-based development and sales milestones from the transaction price because it determined such payments to be fully constrained under ASC 606 due to the inherent uncertainty in the achievement of such milestone payments and are highly susceptible to factors outside our control. As the sales-based royalties are all related to the license of the intellectual property, the Company will recognize revenue in the period when subsequent sales are made pursuant to the sales-based royalty exception. The Company will re-evaluate the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur. Based on the foregoing, the Company determined that the $6.0 million non-refundable, upfront payment and the $0.6 million owed upon the delivery of existing inventory constituted the entirety of consideration to be included in the transaction price.

The Company then allocated the transaction price to the performance obligations based on the relative stand-alone selling price of each distinct obligation. The Company determined the stand-alone selling prices to equal the amounts paid for each performance obligation. Revenue is recognized for each performance obligation based at a point in time in which control has been transferred. The performance obligation for the transfer of the license and related technology and know-how does not occur until the delivery of the related know-how has been satisfied. As of June 30, 2020, this performance obligation has not been satisfied and therefore revenue has not been recognized. The transfer of the license's related technology and know-how is expected to occur in the third quarter of 2020. In addition, the delivery of the existing inventory is expected to occur in the third quarter of 2020, at which point revenue will be recognized. As of June 30, 2020, the Company had not received the upfront cash payment.

11. 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, 2020 and 2019 and for the six months ended June 30, 2020 and 2019 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,	
	2020	2019	2020	2019
	(unaudited)		(unaudited)	
Stock options issued and outstanding	6,657,569	5,212,276	6,463,895	5,184,331

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

12. Related party transactions

The Company maintained a consulting agreement with a member of the Board of Directors for scientific advisory services outside of his role on the Board of Directors that expired on June 30, 2020. Effective July 1, 2020, the Company renewed its agreement with the member of the Board of Directors for scientific, clinical and regulatory advisory services outside of his role on the Board of Directors through June 30, 2021.

The Company granted an exclusive, worldwide, royalty-bearing license of its CDK2 inhibitor compounds to ARC Therapeutics, LLC (“ARC”), a company primarily owned by a related party, in exchange for cash and equity in ARC with a total value of approximately $2.1 million, which resulted in the recognition of related party revenue as discussed in Note 10.

13. Subsequent events

On July 22, 2020, the Company entered into an exclusive, royalty-bearing license agreement with EQRx, Inc. to develop and commercialize lerociclib in the U.S., Europe, Japan and all other global markets, excluding the Asia-Pacific region (except Japan). The Company will receive an upfront cash payment of $20.0 million and will be eligible to receive development and commercial milestone payments of up to $290.0 million, plus tiered royalties ranging from mid-single digits to mid-teens based on annual net sales of lerociclib.

In August 2020, the Company entered into an exclusive license agreement with Nanjing Simcere Dongyuan Pharmaceutical Co., Ltd (“Simcere”) for development and commercialization rights for trilaciclib in all indications in Greater China (mainland China, Hong Kong, Macau, and Taiwan). Under the terms of the agreement, the Company will receive an upfront payment of $14.0 million and be eligible to receive up to $156.0 million in development and commercial milestone payments. Simcere will also pay the Company tiered low double-digit royalties on annual net sales of trilaciclib in Greater China. As part of this agreement, Simcere will participate in global clinical trials of trilaciclib and the companies will be responsible for all development and commercialization costs in their respective territories.

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 2019 Form 10-K, 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 improve outcomes for patients across multiple oncology indications.

Product Pipeline

We are advancing three clinical stage programs. Trilaciclib is a first-in-class therapy designed to improve outcomes for patients who are treated with chemotherapy. Rintodestrant is a potential best-in-class oral selective estrogen receptor degrader (SERD) for the treatment of ER+ breast cancer. Lerociclib is a differentiated oral CDK4/6 inhibitor designed to enable more effective combination treatment strategies across multiple oncology indications, including ER+, HER2- breast cancer. We also have intellectual property focused on cyclin-dependent kinase targets.

G1 Therapeutics Product Pipeline

Candidate	Indication	Status	Development & Commercialization Rights (all indications)
trilaciclib	SCLC	NDA submitted	G1 - Global (ex. Greater China) Simcere - Greater China
	TNBC	Phase 2	
	Neoadjuvant breast cancer (I-SPY 2 TRIAL™)	Phase 2	
rintodestrant	ER+, HER2- breast cancer	Phase 1/2a	G1 - Global
lerociclib	ER+, HER2- breast cancer	Phase 1/2	EQRx - Global and Japan (ex. Asia Pacific)
	EGFRm NSCLC	Phase 1	Genor Biopharma - Asia Pacific (ex. Japan)

Trilaciclib: preserving bone marrow and immune system function during chemotherapy and improving patient outcomes

Chemotherapy is an effective and important weapon against cancer. However, chemotherapy does not differentiate between healthy cells and cancer cells and kills both, including important stem cells in the bone marrow (hematopoietic stem and progenitor cells, or HSPCs) that produce white blood cells, red blood cells and platelets, and immune cells. This chemotherapy-induced bone marrow damage is known as myelosuppression. When white blood cells, red blood cells and platelets become depleted, chemotherapy patients are at increased risk of infection, experience anemia and fatigue, and are at increased risk of bleeding. Myelosuppression often requires the administration of rescue interventions such as growth factors and blood or platelet transfusions and may also result in chemotherapy dose delays and reductions. Immune cell damage may decrease the ability of the immune system to fight the cancer, as well as infection.

Trilaciclib is a first-in-class therapy designed to preserve bone marrow and immune system function during chemotherapy and improve patient outcomes. Our randomized clinical trials have demonstrated that trilaciclib can provide myelopreservation benefits (i.e. reduction of chemotherapy-induced myelosuppression effects) and, in certain settings, trilaciclib has the potential to improve survival. It is a short-acting CDK4/6 inhibitor that is 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, protect HSPCs from chemotherapy-induced damage, preserve bone marrow 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.

Following evaluation of trilaciclib in a Phase 1 trial in healthy volunteers, we initiated two Phase 1b/2 trials in patients with extensive-stage small cell lung cancer (SCLC); one in a first-line setting (in combination with carboplatin/etoposide) and the other in a second/third-line setting (in combination with topotecan). Enrollment in both trials has been completed and preliminary data from the open label Phase 1b segment were reported in 2016 and 2017. In the Phase 1b segments of these two trials, we treated 51 patients with over 250 cycles of trilaciclib and chemotherapy. There were no episodes of febrile neutropenia – one of the most common adverse consequences of these chemotherapy regimens. Further, there were no drug-related serious adverse events reported during the Phase 1b segments of these two trials. There were some adverse events reported involving fatigue and cytopenias, but those adverse events were less severe and less frequent than those generally reported in trials involving the use of chemotherapy alone.

Based on these encouraging preliminary data, we advanced both SCLC trials into the randomized, placebo-controlled, double-blind Phase 2 segment. Enrollment in the first-line SCLC Phase 2 trial was completed in the second quarter of 2017 and positive multi-lineage myelopreservation results were reported in March 2018, with additional data reported at the European Society for Medical Oncology (ESMO) 2018 Congress and published in Annals of Oncology in 2019. Enrollment in the second-/third-line SCLC Phase 2 trial was completed in the second quarter of 2018, with positive multi-lineage myelopreservation data reported in the fourth quarter of 2018 and full data presented at an oral session at the American Society of Clinical Oncology (ASCO) 2019 Annual Meeting.

Our third trial in SCLC was initiated in 2017, as part of our non-exclusive collaboration with Genentech, with the goal of exploring the use of trilaciclib in combination with chemotherapy and a checkpoint inhibitor. The trial was a randomized, placebo-controlled, double-blind Phase 2 trial of trilaciclib in combination with Tecentriq® (atezolizumab)/carboplatin/etoposide in first-line SCLC patients. We completed enrollment in February 2018 and reported positive multi-lineage myelopreservation data in November 2018. Additional data, including myelopreservation and anti-tumor efficacy findings (as measured by overall survival, or “OS”), were reported at the 2019 ESMO Congress.

All three SCLC trials demonstrated that trilaciclib, when added to standard of care chemotherapy or chemotherapy/checkpoint inhibitor regimens, prevents or mitigates clinically significant chemotherapy-induced myelosuppression. The U.S. Food and Drug Administration (FDA) has granted Breakthrough Therapy Designation for trilaciclib based on myelopreservation data from our three randomized, double-blind, placebo-controlled SCLC clinical trials, as well as safety data collected across all completed and ongoing clinical trials. The Breakthrough Therapy program is designed to expedite development and review of drugs intended for serious or life-threatening conditions. Based on written feedback from our pre-New Drug Application (NDA) meeting with the FDA, we began a rolling NDA submission for trilaciclib for myelopreservation in SCLC in the fourth quarter of 2019. The NDA submission was completed in June 2020. Discussions with European regulatory authorities have indicated existing data is sufficient to support a Marketing Authorization Application (MAA) to the European Medicines Agency (EMA) for trilaciclib for myelopreservation in SCLC, which we plan to pursue in collaboration with a partner.

Trilaciclib is also being evaluated in patients with breast cancer. In 2017, we initiated a randomized Phase 2 trial of trilaciclib in patients with first-/second-/third-line metastatic triple-negative breast cancer (mTNBC) receiving gemcitabine and carboplatin. Enrollment was completed in the second quarter of 2018. At the December 2018 San Antonio Breast Cancer Symposium (SABCS), we presented preliminary trilaciclib data demonstrating improvement in progression-free survival (PFS). In September 2019, we presented updated data demonstrating significant improvement in OS (preliminary). Though the trial did not meet the primary myelopreservation endpoints, patients receiving trilaciclib were able to receive approximately 50% more cycles of chemotherapy, without additional hematological toxicity. These data were presented at the 2019 ESMO Congress, and were concurrently published in The Lancet Oncology. In January 2020, we announced that trilaciclib will be included in a new randomized, investigational treatment arm for the ongoing I-SPY 2 TRIAL™ for neoadjuvant treatment of locally advanced breast cancer. The trial, run by the non-profit Quantum Leap Healthcare Collaborative, is designed to rapidly screen promising experimental treatments and identify those most effective in specific patient subgroups based on molecular characteristics (biomarker signatures). This trial was initiated in the second quarter of 2020.

As part of our strategy to evaluate the potential benefits of trilaciclib to patients with other tumors that are treated with chemotherapy, we are planning a registrational trial in colorectal cancer. We met with the FDA in the second quarter of 2020 for a pre-Phase 3 meeting and are planning to initiate a randomized, placebo-controlled registrational trial of trilaciclib in colorectal cancer in the fourth quarter of 2020. We entered into a three-year co-promotion agreement in the United States and Puerto Rico with Boehringer Ingelheim in June 2020. Under the terms of the agreement, we will book revenue in the United States and Puerto Rico and retain development and commercialization rights to trilaciclib. We will lead marketing, market access and medical engagement initiatives; Boehringer Ingelheim will lead sales force engagements. The agreement is limited to support for small cell lung cancer in the U.S. and Puerto Rico. In August 2020, we entered into an exclusive license agreement with Nanjing Simcere Dongyuan Pharmaceutical Co., Ltd ("Simcere") for development and commercialization rights for trilaciclib in all indications in Greater China (mainland China, Hong Kong, Macau and Taiwan). Under the terms of the agreement, we will receive an upfront payment of $14.0 million and be eligible to receive up to $156.0 million in development and commercial milestone payments. Simcere will also pay us tiered low double-digit royalties on annual net sales of trilaciclib in Greater China. As part of this agreement, Simcere will participate in global clinical trials of trilaciclib and the companies will be responsible for all development and commercialization costs in their respective territories.

Rintodestrant: Our oral SERD

Rintodestrant is a potential first/best in-class oral SERD, which we plan to initially develop as a monotherapy and in combination with CDK4/6 inhibitors, initially Ibrance® (palbociclib), for the treatment of ER+, HER2- breast cancer. Based on compelling preclinical efficacy and safety data, we filed an Investigational New Drug application (IND) with the FDA in the fourth quarter of 2017. In 2018, we initiated a Phase 1/2a (dose escalation/dose expansion) clinical trial in ER+, HER2- breast cancer. Preliminary data from the Phase 1 portion of this trial were presented at the ESMO 2019 Congress, showing that rintodestrant was well tolerated and demonstrated evidence of anti-tumor activity in heavily pre-treated patients. We have completed enrollment of the dose escalation and dose expansion portions of the trial, and based on findings we plan to advance an 800 mg dose of rintodestrant in future trials. We plan to present additional safety and efficacy data from this trial in the fourth quarter of 2020. We initiated enrollment of patients receiving rintodestrant in combination with palbociclib in the second quarter of 2020. Palbociclib is being provided under a non-exclusive clinical supply agreement that we signed with Pfizer in February 2020.

Lerociclib: Our differentiated CDK4/6 inhibitor for patients with CDK4/6-dependent tumors

Lerociclib is a differentiated oral CDK4/6 inhibitor being developed for use in combination with other targeted therapies in multiple oncology indications, including ER+, HER2- breast cancer. We rationally designed lerociclib to improve upon and address the shortcomings of the approved CDK4/6 inhibitors Ibrance® (palbociclib), Kisqali® (ribociclib) and Verzenio® (abemaciclib), with fewer dose-limiting toxicities and potential for less frequent blood count monitoring. Our preclinical data and early clinical data indicate the potential for continuous daily dosing, less dose-limiting neutropenia, and improved tolerability. A Phase 1 trial of lerociclib in 75 healthy volunteers showed a favorable safety profile, and we reported encouraging preliminary Phase 1b data from our Phase 1/2 trial in ER+, HER2- breast cancer (in combination with fulvestrant) at the ASCO 2018 Annual Meeting. Additional data from this trial were presented at 2019 the San Antonio Breast Cancer Symposium. We also initiated a Phase 1b combination trial with the epidermal growth factor receptor (EGFR) inhibitor, Tagrisso® (osimertinib) in non-small cell lung cancer. Initial safety and tolerability data from this trial were presented at the ESMO 2019 Congress.

In 2020, the Company entered into separate, exclusive agreements with EQRx, Inc. (rights for U.S., Europe, Japan and all markets outside Asia-Pacific) and Genor Biopharma Co. Inc. (rights for Asia-Pacific, excluding Japan) for the development and commercialization of lerociclib in all indications. Combined, these agreements provided $26.0 million in upfront payments to the Company, along with sales-based royalties and up to $330.0 million in potential milestone payments. EQRx, Inc. and Genor Biopharma Co. Inc. are responsible for all costs related to the development and commercialization of lerociclib in their respective territories.

Coronavirus (COVID-19) impact on operations

We have implemented business continuity plans to address the COVID-19 pandemic and minimize disruptions to ongoing operations. Initiation of two clinical trials, the rintodestrant/palbociclib combination trial and the I-SPY 2 trial, began in the second quarter of 2020 as scheduled. Initial enrollment of these trials is likely to be impacted by COVID-19. We do not anticipate significant supply chain delays or shortages as a result of the COVID-19 pandemic.

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 $2.1 million of license revenue for the three and six months ended June 30, 2020 and $0 of revenue for the year ended December 31, 2019. To date, we have financed our operations primarily through the sale of equity securities, our loan agreement with Hercules Capital, Inc., and licensing arrangements. Under our licensing arrangements, we are eligible to receive certain development and sales-based milestones. Our ability to earn these milestones and the timing of achieving these milestones is primarily dependent upon the outcome of the licensee's activities and is uncertain at this time.

As of June 30, 2020, we had cash and cash equivalents of $234.3 million. Since inception we have incurred net losses. As of June 30, 2020 we had an accumulated deficit of $399.1 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 next several years. We expect our research and development and general and administrative expenses will continue to increase in connection with our ongoing and future activities as we:

- continue development of our product candidates, including initiating additional clinical trials of trilaciclib and rintodestrant;
- 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, and as amended in March 2017, we entered into a license agreement with the Board of Trustees of the University of Illinois, ("the University"). Pursuant to the license agreement, as amended, the University licensed patent rights to us, with rights to sublicense, to make, have made, use, import, sell and offer for sale SERDs, including rintodestrant, covered by certain patent rights owned by the University. The rights licensed to us are exclusive, worldwide, non-transferable rights, 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 the University 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. In addition, we may also be required to pay the University milestone payments of up to an aggregate of $2.6 million related to the initiation and execution of clinical trials and the first commercial sale of a product and the first commercial sale of a product in another country. To date, we have made milestone payments totaling $0.6 million, of which $0 was incurred during the second quarter of 2020. We will also be responsible for any future patent prosecution costs that may arise.

Components of our Results of Operations

Revenue

To date, we have not generated any revenues from the sale of products. Our revenues have been derived from our license agreements. The Company entered into an exclusive license agreement with ARC Therapeutics, LLC ("ARC") in May 2020. The Company granted ARC an exclusive, worldwide, royalty-bearing license of its CDK2 inhibitor compounds in exchange for an upfront payment and equity in ARC with a total value of approximately $2.1 million, which resulted in the recognition of related party revenue. The Company is entitled to receive additional milestone payments and sales-based royalties, and has right of first negotiation to re-acquire these assets.

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 track 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. In 2019, and the second quarter of 2020, we had three clinical-stage product candidates, trilaciclib, rintodestrant and lerociclib.

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, pre-commercialization costs, 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 expect to continue to incur additional general and administrative expenses in 2020 as we support continued research and development activities and support our operations in a public company environment, 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, pre-commercialization costs 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 interest expenses incurred under our loan and security agreement with Hercules.

Results of Operations

Comparison of the three months ended June 30, 2020 and June 30, 2019

	Three Months Ended June 30,		Change
	2020	2019	$
	(in thousands)		
License revenue - related party	$ 2,140	$ —	$ 2,140
Operating expenses:			
Research and development	18,531	23,489	(4,958)
General and administrative	14,431	9,094	5,337
Total operating expenses	32,962	32,583	379
Loss from operations	(30,822)	(32,583)	1,761
Other income (expense):			
Interest income	91	1,893	(1,802)
Interest expense	(265)	—	(265)
Other income (expense)	(214)	—	(214)
Total other income (expense), net	(388)	1,893	(2,281)
Net loss	$ (31,210)	$ (30,690)	$ (520)

Revenue

Revenue was $2.1 million and $0 for the three months ended June 30, 2020 and June 30, 2019 respectively. The revenue for the three months ended June 30, 2020 related to revenue recognized under a license agreement.

Research and development

Research and development expenses were $18.5 million for the three months ended June 30, 2020 compared to $23.5 million for the three months ended June 30, 2019. The decrease of $5.0 million, or -21%, was primarily due to a decrease of $6.4 million in clinical costs, due to reduction in spend for ongoing clinical trials of $3.4 million as well as regulatory filing reimbursement received during the second quarter of 2020 of $3.0 million. The decrease in research and development expenses was also due to a decrease of $0.8 million in external costs related to discovery and pre-clinical costs development. The decrease is partially offset by an increase of $2.2 million in costs for manufacturing of active pharmaceutical ingredients and drug product to support clinical trials. The following table summarizes our research and development expenses allocated to trilaciclib, rintodestrant, lerociclib and unallocated research and development expenses for the periods indicated:

	Three Months Ended June 30,	
	2020	2019
	(in thousands)	
Clinical Program Expenses—trilaciclib	$ 5,617	$ 9,405
Clinical Program Expenses—rintodestrant	1,374	2,706
Clinical Program Expenses—lerociclib	1,544	2,779
Chemical Manufacturing and Development	9,034	6,800
Discovery and Pre-Clinical Expenses	962	1,799
Total Research and Development Expenses	$ 18,531	$ 23,489

General and administrative

General and administrative expenses were $14.4 million for the three months ended June 30, 2020 compared to $9.1 million for the three months ended June 30, 2019. The increase of $5.3 million, or 59%, was due to an increase of $1.2 million in personnel costs due to increased headcount, of which $0.3 million related to non-cash stock compensation expense, an increase of $1.2 million in medical affairs costs related to trilaciclib, an increase of $1.7 million in pre-commercialization activities, and an increase of $1.2 million in professional services, insurance and other administrative costs.

Total other income (expense), net

Total other income (expense), net was $(0.4) million for the three months ended June 30, 2020 as compared to $1.9 million for the three months ended June 30, 2019. The decrease of $2.3 million was from lower balance of money market funds due to cash used in operating activities and changes in interest rates during the three months ended June 30, 2020 as compared to the three months ended June 30, 2019 and interest expense on loan payable.

Results of Operations

Comparison of the six months ended June 30, 2020 and 2019

	Six Months Ended June 30,		Change
	2020	2019	$
	(in thousands)		
License revenue - related party	$ 2,140	$ —	$ 2,140
Operating expenses:			
Research and Development	38,965	41,569	(2,604)
General and Administrative	25,818	16,896	8,922
Total operating expenses	64,783	58,465	6,318
Loss from operations	(62,643)	(58,465)	(4,178)
Other income (expense):			
Interest income	872	3,809	(2,937)
Interest expense	(265)	—	(265)
Other income (expense)	(197)	14	(211)
Total other income (expense), net	410	3,823	(3,413)
Net Loss	$ (62,233)	$ (54,642)	$ (7,591)

Revenue

Revenue was $2.1 million and $0 for the six months ended June 30, 2020 and 2019, respectively. The revenue for the six months ended June 30, 2020 related to revenue recognized under a license agreement.

Research and development

Research and development expenses were $39.0 million for the six months ended June 30, 2020 compared to $41.6 million for the six months ended June 30, 2019. The decrease of $2.6 million, or -6%, was primarily due to a decrease of $4.9 million in clinical costs, due to reduction in spend for ongoing clinical trials of $1.9 million as well as regulatory filing reimbursement received during the the second quarter of 2020 of $3.0 million. The decrease in research and development expenses was also due to a decrease of $1.4 million in external costs related to discovery and pre-clinical costs development. The decrease is partially offset by an increase of $3.7 million in costs for manufacturing of active pharmaceutical ingredients and drug product to support clinical trials. The following table

summarizes our research and development expenses allocated to trilaciclib, rintodestrant, lerociclib and unallocated research and development expenses for the periods indicated:

	Six Months Ended June 30,	
	2020	2019
	(in thousands)	
Clinical Program Expenses—trilaciclib	$ 15,116	$ 18,258
Clinical Program Expenses—rintodestrant	3,745	3,628
Clinical Program Expenses—lerociclib	3,595	5,517
Chemical Manufacturing and Development	14,184	10,439
Discovery and Pre-clinical Expenses	2,325	3,727
Total Research and Development Expenses	$ 38,965	$ 41,569

General and administrative

General and administrative expenses were $25.8 million for the six months ended June 30, 2020 compared to $16.9 million for the six months ended June 30, 2019. The increase of $8.9 million, or 53% was due to an increase of $2.6 million in compensation due to increased headcount, of which $0.9 million related to non-cash stock compensation expense, an increase of $2.5 million in medical affairs costs related to trilaciclib, an increase of $1.9 million in pre-commercialization activities, an increase of $1.9 million in professional services, insurance and other administrative costs.

Total other income (expense), net

Total other income (expense), net was $0.4 million for the six months ended June 30, 2020 as compared to $3.8 million for the six months ended June 30, 2019. The decrease of $3.4 million was from lower balance of money market funds due to cash used in operating activities and changes in interest rates during the six months ended June 30, 2020 as compared to the six months ended June 30, 2019, and interest expense on loan payable.

Liquidity and Capital Resources

We have incurred cumulative losses and negative cash flows from operations since our inception in 2008. As of June 30, 2020, we had an accumulated deficit of $399.1 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.

As of June 30, 2020, we had cash and cash equivalents of $234.3 million. To date, we have funded our operations primarily through proceeds from our initial public offering, our follow-on stock offerings, our debt agreement with Hercules Capital, and proceeds from our license agreements. Under our licensing arrangements, we are eligible to receive certain development and sales-based milestones. Our ability to earn these milestones and the timing of achieving these milestones is primarily dependent upon the outcome of the licensee’s activities and are uncertain at this time.

Follow-on offering

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.

Shelf registration statement

On June 15, 2018, we filed an automatically effective shelf registration statement 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. This registration statement will expire on June 15, 2021, three years after its date of effectiveness.

At-the-market offering

On June 15, 2018, we entered into a Sales Agreement for an “at the market offering” arrangement with Cowen and Company, LLC (“Cowen”), which allows us to issue and sell shares of common stock pursuant to a shelf registration statement for total gross sales proceeds of up to $125.0 million from time to time through Cowen, acting as our agent. Between June 18, 2018 and August 2, 2018,

we 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, 2020, we have remaining authorization to sell up to $88.2 million under this sales agreement with Cowen.

Follow-on offering

On September 21, 2018, we closed on an underwritten public offering of 3,450,000 shares of our common stock at a public offering price of $60.00 per share, including 450,000 shares of common stock issued upon exercise by the underwriters of their option to purchase additional shares, pursuant to our shelf registration statement. The gross proceeds from the offering were $207.0 million and net proceeds were $194.9 million, after deducting underwriting discounts and commissions and other offering expenses payable by us.

Loan and Security Agreement with Hercules

On May 29, 2020, we entered into a loan and security agreement with Hercules Capital, Inc. ("Hercules") under which Hercules has agreed to lend us up to $100.0 million, to be made available in a series of tranches, subject to specified conditions. We borrowed $20.0 million at loan closing. The term of the loan is approximately 48 months, with a maturity date of June 1, 2024. No principal payments are due during an interest-only period, commencing on the initial borrowing date and continuing through June 1, 2022. The interest only period may be extended through January 1, 2023 upon satisfaction of certain milestones. Following the interest only period, the Company will repay the principal balance and interest of the advances in equal monthly installments through June 1, 2024.

Genor License Agreement

On June 15, 2020, we entered into an exclusive license agreement with Genor Biopharma Co. Inc. ("Genor") for the development and commercialization of lerociclib in the Asia-Pacific region, excluding Japan (the "Licensed Territory"). Under the license agreement, we granted to Genor an exclusive, royalty-bearing, non-transferable license, with the right to grant sublicenses, to develop, obtain, hold and maintain regulatory approvals for, and commercialize lerociclib, in the Licensed Territory.

Under the license agreement, Genor agreed to pay us a non-refundable, upfront cash payment of $6.0 million with the potential to pay an additional $40.0 million upon reaching certain development and commercial milestones. In addition, Genor will pay us tiered royalties ranging from high single to low double-digits based on annual net sales of lerociclib in the Licensed Territory. The upfront cash payment is payable within 30 days of the effective date of the license agreement. In return, we will furnish to Genor the related know-how that is necessary to develop, seek regulatory approval for, or commercialize lerociclib in the Licensed Territory. Genor will be responsible for the development of the product in the Licensed Territory and will be responsible, at its sole cost, for obtaining supply of lerociclib to meet its development, regulatory approval for, and commercialization obligations under the agreement. As of June 30, 2020, we had not received the upfront payment.

Cash flows

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

	Six Months Ended June 30,		Change
	2020	2019	$
	(in thousands)		
Net cash used in operating activities	$ (55,873)	$ (44,434)	$ (11,439)
Net cash used in investing activities	—	(392)	392
Net cash provided by financing activities	20,932	947	19,985
Net change in cash, cash equivalents, and restricted cash	$ (34,941)	$ (43,879)	$ 8,938

Net cash used in operating activities

During the six months ended June 30, 2020, net cash used in operating activities was $55.9 million which consisted primarily of a net loss of $62.2 million, a decrease in net operating assets and liabilities of $2.5 million and a decrease in non-cash equity interest of $0.9 million, partially offset by non-cash stock compensation expense of $9.1 million, $0.3 million of non-cash interest expense and $0.3 million of depreciation expense.

During the six months ended June 30, 2019, net cash used in operating activities was $44.4 million, which consisted primarily of a net loss of $54.6 million, partially offset by non-cash stock compensation expense of $7.5 million, an increase in net operating assets and liabilities of $2.6 million and $0.1 million of depreciation expense.

Net cash used in operating activities increased by $11.4 million as compared to the six months ended June 30, 2019 primarily due to an increase in administrative costs as company prepares for commercialization.

Net cash used in investing activities

During the six months ended June 30, 2020, there was no cash used in investing activities.

During the six months ended June 30, 2019, net cash used in investing activities was $0.4 million related to the purchases of property and equipment.

Net cash provided by financing activities

During the six months ended June 30, 2020, net cash provided by financing activities was $20.9 million, which consisted of $19.5 million in net proceeds from debt funding and $1.4 million from proceeds from the exercise of stock options.

During the six months ended June 30, 2019, net cash provided by financing activities was $0.9 million, from proceeds from the exercise of stock options.

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 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 agreements 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 rintodestrant, 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 except for amounts included under our licensing arrangements and the loan agreement with Hercules. To the extent that we raise additional capital through the sale of equity or convertible debt securities, our stockholders' 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

The Company entered into a three-year co-promotion agreement in the United States and Puerto Rico with Boehringer Ingelheim Pharmaceuticals, Inc., or BI, in June 2020. Under the terms of the agreement, we will book revenue in the United States and Puerto Rico and retain development and commercialization rights to trilaciclib. We will lead marketing, market access and medical engagement initiatives; BI will lead sales force engagements. The agreement is limited to support for small cell lung cancer.

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.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP. The preparation of our financial statements requires us to make estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the dates of the balance sheet, and the reported amount of expenses incurred during the reporting period. In accordance with U.S. GAAP, we evaluate our estimates and judgments on an ongoing basis. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe that our accounting policies are critical to the process of making significant judgments and estimates in the preparation of our financial statements and understanding and evaluating our reported financial results. We discussed our accounting policies and significant assumptions used in our estimates in Note 2 of our audited financial statements included in our 2019 Form 10-K. There have been no material changes during the six months ended June 30, 2020 to our critical accounting policies, significant judgments and estimates disclosed in our 2019 Form 10-K.

Recent Accounting Pronouncements

See Note 2 to our unaudited condensed financial statements included in Item 1 of this Quarterly Report on Form 10-Q for recently issued accounting pronouncements, including respective adoption dates and the potential impact on our financial statements.

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 are affected by changes in the general level of U.S. interest rates. We had cash and cash equivalents of $234.3 million as of June 30, 2020, 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 also have exposure to market risk on our loan agreement with Hercules Capital, Inc. Our loan agreement accrues interest from its date of issue at a variable interest rate equal to the greater of either (i) (a) the prime rate as reported in The Wall Street Journal, plus (b) 6.40%, and (ii) 9.65%. As of June 30, 2020, $20.0 million was outstanding under the loan agreement with Hercules.

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 and six months ended June 30, 2020.

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, 2020. 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, 2020, 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.

Change in Internal Controls

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1A. Risk Factors.

"Item 1A. Risk Factors" of our 2019 Form 10-K includes a discussion of our risk factors. The information presented below updates, and should be read in conjunction with, the risk factors and information disclosed in our Form 10-K, as updated in our quarterly reports. Except as presented below, there have been no material changes from the risk factors described in our Form 10-K, as updated in our quarterly reports.

We face risks related to health epidemics and outbreaks, including the novel coronavirus (COVID-19), which could significantly disrupt our preclinical studies and clinical trials.

In December 2019, a novel strain of coronavirus (COVID-19) surfaced in Wuhan, China and in March 2020, in an effort to halt the outbreak of COVID-19, the United States placed significant restrictions on travel and many businesses have announced extended closures which could adversely impact our operations. The duration and the geographic impact of the business disruption and related financial impact resulting from the COVID-19 pandemic cannot be reasonably estimated at this time and our business could be adversely impacted by the effects of the COVID-19 pandemic. Initial enrollment of patients the planned rintodestrant/palbociclib combination clinical trial and the I-SPY 2 clinical trial, will likely be slower due to the outbreak of COVID-19. In addition, we rely on independent clinical investigators, contract research organizations and other third-party service providers to assist us in managing, monitoring and otherwise carrying out our nonclinical studies and clinical trials, and the outbreak may affect their ability to devote sufficient time and resources to our programs. We also rely on third party suppliers and contract manufacturers to produce the drug product we utilize in our clinical trials. Although we do not anticipate significant supply chain delays or shortages as a result of the COVID-19 pandemic at this time, the outbreak may cause delays in delivery of APIs and drug product. Temporary closure of our facilities, or facilities at which our clinical trials or nonclinical studies are conducted, or restrictions on the ability of our employees, clinicians or patients enrolled in our trials to travel could adversely affect our operations and our ability to conduct and complete our nonclinical studies and clinical trials. As a result of the foregoing factors, the expected timeline for data readouts of our clinical trials may be negatively impacted, which would adversely affect our business.

The COVID-19 pandemic also presents a number of challenges for our emerging commercial business, including, among others, the impact due to travel limitations and government-mandated work-from-home or shelter-in-place orders, potential decreased product demand due to reduced numbers of in-person meetings with prescribers and patient visits with physicians, possible delay in cancer treatments with chemotherapy as well as increased unemployment resulting in lower new prescriptions.

In addition, the FDA's ability to engage in routine regulatory and oversight activities, such as the review and clearance or approval of new products, may be affected by the COVID-19 pandemic. The FDA and other regulatory authorities may have slower response times or be under-resourced. If the global health concerns continue to disrupt or prevent the FDA or other regulatory authorities from conducting their regular reviews, inspections, or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our marketing applications, clinical trial authorizations, or other regulatory submissions, which could have a material adverse effect on our business.

The full extent to which COVID-19 impacts our business will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions to treat or contain COVID-19 or to otherwise limit its impact.

Our level of indebtedness and debt service obligations could adversely affect our financial condition and may make it more difficult for us to fund our operations.

We have entered into a loan and security agreement with Hercules Capital, Inc. for up to $100.0 million of debt under a term loan, or the Hercules Loan Agreement. The maturity date of the Hercules Loan Agreement is June 1, 2024. As of June 30, 2020, the Company has borrowed $20.0 million under the Hercules Loan Agreement. The Company's obligations under the Hercules Loan Agreement are secured by a blanket lien on substantially all of the Company's assets, including a security interest in the intellectual property.

This indebtedness may create additional financing risk for us, particularly if our business or prevailing financial market conditions are not conducive to paying off or refinancing our outstanding debt obligations at maturity. This indebtedness could also have important negative consequences, including the fact that we will need to repay our indebtedness by making payments of interest and principal, which will reduce the amount of money available to finance our operations, our research and development efforts, our commercialization efforts, and other general corporate activities.

If we were to become unable to pay, when due, the principal of, interest on, or other amounts due in respect of, our indebtedness, our financial condition would be adversely affected. Further, under the Hercules Loan Agreement, we are subject to certain restrictive covenants that, among other things, subject to exceptions, restrict the Company's ability to do the following things: declare dividends or redeem or repurchase equity interests; incur additional liens; make loans and investments; incur additional indebtedness; engage in mergers, acquisitions, and asset sales; transact with affiliates; undergo a change in control; and add or change business locations. If we breach any of these restrictive covenants or are unable to pay our indebtedness under the Hercules Loan Agreement when due, this could result in a default under the Hercules Loan Agreement. In such event, Hercules may elect (after the expiration of any applicable notice or grace periods) to declare all outstanding borrowings, together with accrued and unpaid interest and other amounts payable under the Hercules Loan Agreement, to be immediately due and payable. Any such occurrence would have an adverse impact on our financial condition.

Our Co-Promotion Agreement with Boehringer Ingelheim Pharmaceuticals, Inc. or BI, is important to our business. If we or BI fail to adequately perform under the Co-Promotion Agreement, or if we or BI terminate the Co-Promotion Agreement, the commercialization of trilaciclib and our business would be adversely affected.

The Co-Promotion Agreement is important to our business, and our ability to fully commercialize trilaciclib in the United States is dependent upon this agreement.

Under the terms of the Co-Promotion Agreement, BI will provide salesforce engagements for trilaciclib within the United States and Puerto Rico utilizing BI's own sales and marketing personnel. BI will hire and maintain, and be solely responsible for, its own personnel conducting the promotion services described in the Co-Promotion Agreement, including ensuring that such personnel adhere to certain guidelines and practices with respect to the promotion of trilaciclib. The Company will lead marketing, market access, and medical engagement initiatives under the Co-Promotion Agreement. The Company will also be responsible for the costs of maintaining regulatory approval of, manufacturing, supplying and distributing trilaciclib, and will prepare and control the content of trilaciclib marketing and training materials, subject to review and feedback by BI.

Subject to early termination, the Co-Promotion Agreement will expire on the third anniversary of the first commercial sale. Subject to specified notice periods and specified limitations, either party may terminate the Co-Promotion Agreement in the event of (i) uncured material breach by the other party, (ii) trilaciclib not having obtained regulatory approval from the FDA by September 30, 2021, (iii) withdrawal of trilaciclib from the market by the Company as a result of a decision by the FDA or a material safety concern; (iv) the bankruptcy, insolvency, dissolution or winding up of the other party, or (v) for convenience (which termination right, in the case of BI, may only be exercised six months after first commercial sale). In addition, the Company may terminate the Co-Promotion Agreement if the Company receives feedback from a regulatory authority that the Company reasonably believes indicates that trilaciclib is unlikely to receive regulatory approval. BI may also terminate the Co-Promotion Agreement if the first commercial sale has not occurred by September 30, 2021 or upon a change of control of the Company.

Termination of the Co-Promotion Agreement could cause significant delays and disruption to our commercialization efforts for trilaciclib. If the Co-Promotion Agreement is terminated, we may need to seek additional financing to support our commercialization efforts or find another third party to enter into a new collaboration agreement. Any alternative collaboration could also be on less favorable terms to us. If the Co-Promotion Agreement is terminated our business would be adversely affected.

We have entered into license agreements for lerociclib and intend to continue to use third-party collaborators to help us develop and commercialize any new products, and our ability to commercialize such products could be impaired or delayed if these collaborations are unsuccessful.

We have entered into license agreements with third-parties, and may continue to selectively pursue strategic collaborations, for the development and commercialization of our products. For example, in June 2020, we entered into a license agreement with Genor Biopharma Co. Inc., for the development and commercialization of lerociclib in the Asia-Pacific region (excluding Japan). In addition, in July 2020, we and EQRx entered into license agreement pursuant to which we have granted EQRx the exclusive rights to develop and commercialize lerociclib in the U.S., Europe, Japan and all other global markets, excluding the Asia-Pacific region (except Japan). In our third-party collaborations, we are dependent upon the success of the collaborators to perform their responsibilities with continued cooperation. Our collaborators may not cooperate with us or perform their obligations under our agreements with them. We cannot control the amount and timing of our collaborators' resources that will be devoted to performing their responsibilities under our agreements with them. Our collaborators may choose to pursue alternative therapies in preference to those being developed in collaboration with us. The development and commercialization of our product candidates will be delayed if collaborators fail to conduct their responsibilities in a timely manner or in accordance with applicable regulatory requirements or if they breach or terminate their collaboration agreements with us. Disputes with our collaborators could also impair our reputation or result in development delays, decreased revenues, and litigation expenses.

Item 6. Exhibits.

Exhibit Number	Description
10.1*†	Scientific, Clinical, and Regulatory Advisor Agreement, by and between the Registrant and Seth A. Rudnick, M.D., effective July 1, 2020.
10.2*#	Loan and Security Agreement, by and between the Registrant and Hercules Capital, Inc., dated May 29, 2020.
10.3*#	Co-Promotion Agreement by and between the Registrant and Boehringer Ingelheim Pharmaceuticals, Inc., dated June 29, 2020.
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	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

† Indicates management contract or compensatory plan or arrangement.

Portions of these exhibits have been omitted. The Registrant agrees to furnish supplementally an unredacted copy of any exhibit to the Securities and Exchange Commission upon request; provided, however, that the Registrant may request confidential treatment of omitted items.

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.

Date: August 5, 2020

By: */s/ Jennifer K. Moses*

Jennifer K. Moses
Chief Financial Officer (Principal Financial and Accounting Officer)

SCIENTIFIC, CLINICAL, AND REGULATORY ADVISOR AGREEMENT

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

This SCIENTIFIC, CLINICAL, AND REGULATORY ADVISOR AGREEMENT (the ***"Agreement"),*** is effective as of July 1, 2020 (the ***"Effective Date"),*** by and between G1 Therapeutics, Inc., a Delaware corporation (the ***"Company"),*** and you. This Agreement replaces that certain Advisory Board Member Agreement, effective July 1, 2018, by and between the Company and you, which expired by its terms on June 30, 2020.

1. Services. The Company wishes to retain your services as a Scientific, Clinical, and Regulatory Advisor, pursuant to which you will be expected to provide scientific, clinical and regulatory advice and fulfill the additional responsibilities described on Exhibit A, attached hereto. This Agreement (including the exhibit attached 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 one year starting on the Effective Date and ending on June 30, 2021 (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.

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. 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 700 Park Offices Drive, Suite 200, 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 Scientific, Clinical, and Regulatory Advisor 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*
Name: Mark Velleca, MD, PhD Title: Chief Executive Officer

AGREED AND ACCEPTED:

Seth Rudnick M.D.

/s/ Seth Rudnick
(Signature)

EXHIBIT A

Advisor's Responsibilities

As a Scientific, Clinical, and Regulatory Advisor to the Company, Seth Rudnick (the "Advisor") will make best efforts to:

1. 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.

2. 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.

3. 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.

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

5. 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.

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

7. 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 10.2

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH "[***]". SUCH IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF DISCLOSED.

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT is made and dated as of May 29, 2020 and is entered into by and among G1 THERAPEUTICS, INC., a Delaware corporation, and each of its Subsidiaries (hereinafter collectively referred to as the "Borrower"), the several banks and other financial institutions or entities from time to time parties to this Agreement (collectively, referred to as the "Lenders") and HERCULES CAPITAL, INC., a Maryland corporation, in its capacity as administrative agent and collateral agent for itself and the Lenders (in such capacity, the "Agent").

RECITALS

A. Borrower has requested the Lenders make available to Borrower a loan in an aggregate principal amount of up to One Hundred Million and No/100 Dollars ($100,000,000) (the "Term Loan"); and

B. The Lenders are willing to make the Term Loan on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, Borrower, Agent and the Lenders agree as follows:

SECTION 1. DEFINITIONS AND RULES OF CONSTRUCTION

1.1 Unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Account Control Agreement(s)" means any agreement entered into by and among the Agent, Borrower and a third party bank or other institution (including a Securities Intermediary) in which Borrower maintains a Deposit Account or an account holding Investment Property and which perfects Agent's first priority security interest in the subject account or accounts.

"ACH Authorization" means the ACH Debit Authorization Agreement in substantially the form of Exhibit H, which account numbers shall be redacted for security purposes if and when filed publicly by the Borrower.

"Acquisition" means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any business, line of business or division or other unit of operation of a Person, (b) the acquisition of fifty percent (50%) or more of the Equity Interests of any Person, whether or not involving a merger, consolidation or similar transaction with such other Person, or otherwise causing any Person to become a Subsidiary of Borrower, or (c) the acquisition of, or the right to use, develop or sell (in each case, including through licensing (other than "off-the-shelf" licenses)), any product, product line or Intellectual Property of or from any other Person.

"Advance(s)" means a Term Loan Advance.

"Advance Date" means the funding date of any Advance.

"Advance Request" means a request for an Advance submitted by Borrower to Agent in substantially the form of Exhibit A, which account numbers shall be redacted for security purposes if and when filed publicly by the Borrower.

"Affiliate" means (a) any Person that directly or indirectly controls, is controlled by, or is under common control with the Person in question, (b) any Person directly or indirectly owning, controlling or holding with power to vote twenty percent (20%) or more of the outstanding voting securities of another Person, (c) any Person twenty percent (20%) or more of whose outstanding voting securities are directly or indirectly owned, controlled or held by another Person with power to vote such securities, or (d) any Person related by blood or marriage to any Person described in subsection (a), (b) or (c) of this paragraph. As used in the definition of "Affiliate," the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" means this Loan and Security Agreement, as amended from time to time.

"Amortization Date" means July 1, 2022; provided however if the Interest Only Extension Conditions are satisfied, then January 1, 2023; provided however if Borrower remains in compliance with Section 7.20, then the later of (a) January 1, 2024 and (b) the first day of the fiscal quarter immediately following the occurrence of any default under Section 7.20.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to Borrower or any of its controlled Affiliates from time to time concerning or relating to bribery or corruption, including without limitation the United States Foreign Corrupt Practices Act of 1977, as amended, the UK Bribery Act 2010 and other similar legislation in any other jurisdictions.

"Anti-Terrorism Laws" means any laws, rules, regulations or orders relating to terrorism or money laundering, including without limitation Executive Order No. 13224 (effective September 24, 2001), the USA PATRIOT Act, the laws comprising or implementing the Bank Secrecy Act, and the laws administered by OFAC.

"Blocked Person" means any Person: (a) listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (b) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (c) a Person with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti Terrorism Law, (d) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in Executive Order No. 13224, or (e) a Person that is named a "specially designated national" or "blocked person" on the most current list published by OFAC or other similar list.

"Borrower Products" means all products, software, service offerings, technical data or technology currently being designed, manufactured or sold by Borrower or which Borrower intends to sell, license, or distribute in the future including any products or service offerings under development, collectively, together with all products, software, service offerings, technical data or technology that have been sold, licensed or distributed by Borrower since its incorporation.

"Borrower's Books" means Borrower's or any of its Subsidiaries' books and records including ledgers, federal, state, local and foreign tax returns, records regarding Borrower's or its Subsidiaries' assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

"Business Day" means any day other than Saturday, Sunday and any other day on which banking institutions in the State of California are closed for business.

"Cash" means all cash, cash equivalents and liquid funds.

"Change in Control" means any reorganization, recapitalization, consolidation or merger (or similar transaction or series of related transactions) of Borrower, sale or exchange of outstanding shares (or similar transaction or series of related transactions) of Borrower in which the holders of Borrower's outstanding shares immediately before consummation of such transaction or series of related transactions do not, immediately after consummation of such transaction or series of related transactions, retain shares representing more than fifty percent (50%) of the voting power of the surviving entity of such transaction or series of related transactions (or the parent of such surviving entity if such surviving entity is wholly owned by such parent), in each case without regard to whether Borrower is the surviving entity.

"Closing Date" means the date of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Stock" means the common stock, $0.0001 par value per share, of the Borrower.

"Contingent Obligation" means, as applied to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to (i) any Indebtedness, capital lease, letter of credit or other obligation of another, including any such obligation directly or indirectly guaranteed, endorsed, co-made or discounted or sold with recourse by that Person, or in respect of which that Person is otherwise directly or indirectly liable; (ii) any obligations with respect to undrawn letters of credit, corporate credit cards or merchant services issued for the account of that Person; and (iii) all obligations arising under any interest rate, currency or commodity swap agreement, interest rate cap agreement, interest rate collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; provided, however, that the term "Contingent Obligation" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determined amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith; provided, however, that such amount shall not in any event exceed the maximum amount of the obligations under the guarantee or other support arrangement. For the avoidance of doubt, no Permitted Bond Hedge Transaction or Permitted Warrant Transaction will be considered a Contingent Obligation of Borrower.

"Copyright License" means any written agreement granting any right to use any Copyright or Copyright registration, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

"Copyrights" means all copyrights, whether registered or unregistered, held pursuant to the laws of the United States of America, any State thereof, or of any other country.

"Cross-Default Reference Obligation" has the meaning assigned to such term in the definition of "Permitted Convertible Debt".

"Deposit Accounts" means any "deposit accounts," as such term is defined in the UCC, and includes any checking account, savings account, or certificate of deposit.

"Domestic Subsidiary" means any Subsidiary organized under the laws of the United States of America, any State thereof, the District of Columbia, or any other jurisdiction within the United States of America.

"Due Diligence Fee" means $40,000, which fee has been paid to the Lenders prior to the Closing Date, and shall be deemed fully earned on such date regardless of the early termination of this Agreement.

"Equity Interests" means, with respect to any Person, the capital stock, partnership or limited liability company interest, or other equity securities or equity ownership interests of such Person.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"Excluded Accounts" means (A) Deposit Accounts exclusively used for payroll, payroll taxes, and other employee wage and benefit payments to or for the benefit of Borrower's employees holding an aggregate amount across all such accounts of not more than amounts needed for the then-next two (2) payroll cycles and (B) deposit securities, commodity or similar accounts with financial institutions inside of the United States, so long as no more than $100,000 in the aggregate is maintained in such accounts at any time.

"FDA" means the United States Food and Drug Administration or any successor thereto.

"Forecast" means the projections for Borrower as delivered and accepted by Agent on May 8, 2020; provided that Borrower may from time to time update the Forecast with a forecast approved by the board of directors of the Borrower, subject to the consent of Agent in its reasonable discretion.

"Foreign Subsidiary" means any Subsidiary other than a Domestic Subsidiary.

"GAAP" means generally accepted accounting principles in the United States of America, as in effect from time to time.

"Indebtedness" means indebtedness of any kind, including (a) all indebtedness for borrowed money or the deferred purchase price of property or services (excluding trade credit entered into in the ordinary course of business due within ninety (90) days), including reimbursement and other obligations with respect to surety bonds and letters of credit, (b) all obligations evidenced by notes, bonds, debentures or similar instruments, (c) all capital lease obligations, (d) equity securities of any Person subject to repurchase or redemption other than at the sole option of such Person, (e) "earnouts", purchase price adjustments, profit sharing arrangements, deferred purchase money amounts and similar payment obligations or continuing obligations of any nature arising out of purchase and sale contracts, (f) non-contingent obligations to reimburse any bank or Person in respect of amounts paid under a letter of credit, banker's acceptance or similar instrument, and (g) all Contingent Obligations. For the avoidance of doubt, no (i) prepaid or deferred revenue arising in the ordinary course of business, (ii) endorsements of checks or drafts arising in the ordinary course of business and (iii) Permitted Warrant Transaction shall be considered Indebtedness of the Borrower.

"Initial Facility Charge" means Six Hundred Fifty Thousand Dollars ($650,000), which is payable to the Lenders in accordance with Section 4.1(f).

"Insolvency Proceeding" means any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the

benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

"Intellectual Property" means all of Borrower's Copyrights; Trademarks; Patents; Licenses; trade secrets and inventions; mask works; Borrower's applications therefor and reissues, extensions, or renewals thereof; and Borrower's goodwill associated with any of the foregoing, together with Borrower's rights to sue for past, present and future infringement of Intellectual Property and the goodwill associated therewith.

"Intellectual Property Security Agreement" means the Intellectual Property Security Agreement dated as of the Closing Date between Borrower and Agent, as the same may from time to time be amended, restated, modified or otherwise supplemented.

"Interest Only Extension Conditions" shall mean satisfaction of each of the following events: (a) no default or Event of Default shall have occurred; and (b) Borrower shall have achieved the Performance Milestone on or prior to June 30, 2022.

"Investment" means (a) any beneficial ownership (including stock, partnership, limited liability company interests, or other securities) of or in any Person, (b) any loan, advance or capital contribution to any Person or (c) any Acquisition.

"IRS" means the United States Internal Revenue Service.

"Joinder Agreements" means for each Subsidiary, a completed and executed Joinder Agreement in substantially the form attached hereto as Exhibit F.

"License" means any Copyright License, Patent License, Trademark License or other license of rights or interests.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment for security, security interest, encumbrance, levy, lien or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, against any property, any conditional sale or other title retention agreement, and any lease in the nature of a security interest.

"Loan" means the Advances made under this Agreement.

"Loan Documents" means this Agreement, the promissory notes (if any), the ACH Authorization, the Account Control Agreements, any Joinder Agreements, the Intellectual Property Security Agreement, and any other documents executed in connection with the Secured Obligations or the transactions contemplated hereby, as the same may from time to time be amended, modified, supplemented or restated.

"Market Capitalization" means, as of any date of determination, the product of (a) the number of outstanding shares of Common Stock publicly disclosed in the most recent filing of Borrower with the United States Securities Exchange Commission as outstanding as of such date of determination and (b) the closing price of Borrower's Common Stock (as quoted on Bloomberg L.P.'s page or any successor page thereto of Bloomberg L.P. or if such page is not available, any other commercially available source).

"Material Adverse Effect" means a material adverse effect upon: (i) the business, operations, properties, assets or financial condition of Borrower and its Subsidiaries taken as a whole; or

(ii) the ability of Borrower to perform or pay the Secured Obligations in accordance with the terms of the Loan Documents, or the ability of Agent or the Lenders to enforce any of its rights or remedies with respect to the Secured Obligations; or (iii) the Collateral or Agent's Liens on the Collateral or the priority of such Liens.

"Maximum Term Loan Amount" means One Hundred Million and No/100 Dollars ($100,000,000).

"Net Product Revenue Ratio" means, as of any date of determination, the ratio of (a) the outstanding amount of the Term Loan Advances to (b) T3M Net Product Revenue.

"New Drug Application" means a new drug application, submitted to the FDA under 21 U.S.C. § 355(b) for authorization to market a drug in the United States.

"Non-Core Intellectual Property" means any Intellectual Property not material to Borrower's business upon prior consultation with Agent, which for the avoidance of doubt shall not include Intellectual Property in respect of [* * *].

"Non-Disclosure Agreement" means that certain Non-Disclosure Agreement by and between Hercules Capital, Inc. and G1 Therapeutics, Inc. dated as of April 6, 2020.

"OFAC" is the U.S. Department of Treasury Office of Foreign Assets Control.

"OFAC Lists" are, collectively, the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) and/or any other list of terrorists or other restricted Persons maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Executive Orders.

"Patent License" means any written agreement granting any right with respect to any invention on which a Patent is in existence or a Patent application is pending, in which agreement Borrower now holds or hereafter acquires any interest.

"Patents" means all letters patent of, or rights corresponding thereto, in the United States of America or in any other country, all registrations and recordings thereof, and all applications for letters patent of, or rights corresponding thereto, in the United States of America or any other country.

"PDUFA Date" means the user fee goal date set forth in a written filing communication from the FDA with respect to the Borrower's New Drug Application for [* * *].

"Performance Covenant" means each of Performance Covenant A, Performance Covenant B and Performance Covenant C.

"Performance Covenant A" means satisfaction of each of the following: (i) Borrower's Market Capitalization exceeds Seven Hundred Fifty Million Dollars ($750,000,000) and (ii) Borrower at all times maintains Qualified Cash in an amount not less than fifty percent (50%) of the sum of the outstanding principal amount of the Term Loan Advances *plus* the Qualified Cash A/P Amount.

"Performance Covenant B" means Borrower at all times maintains Qualified Cash in an amount not less than one hundred twenty-five percent (125%) of the sum of the outstanding principal amount of the Term Loan Advances *plus* the Qualified Cash A/P Amount.

"Performance Covenant C" means Borrower achieves T3M Net Product Revenue of at least the following, determined monthly as follows:

Month Ending	Minimum T3M Net Product Revenue
June 30, 2020 through and including December 31, 2021	65% of T3M Net Product Revenue included in the Forecast.
January 31, 2022 through and including December 31, 2022	an amount equal to the outstanding principal amount of the Term Loan Advances *divided* by 2.75
January 31, 2023 and each month thereafter	an amount equal to the outstanding principal amount of the Term Loan Advances *divided* by 2.50

"Performance Milestone" means Borrower shall have provided evidence satisfactory to Agent that (i) [* * *] and (ii) [* * *].

"Permitted Acquisition" means any Acquisition, in each case located entirely within the United States of America, which is conducted in accordance with the following requirements:

(a) of a business or Person or product engaged in a line of business related to that of the Borrower or its Subsidiaries;

(b) if such Acquisition is structured as a stock acquisition, then the Person so acquired shall either (i) become a wholly-owned Subsidiary of Borrower or of a Subsidiary and the Borrower shall comply, or cause such Subsidiary to comply, with Section 7.13 hereof or (ii) such Person shall be merged with and into Borrower (with the Borrower being the surviving entity);

(c) if such Acquisition is structured as the acquisition or in-licensing of assets, such assets shall be acquired by Borrower, and shall be free and clear of Liens other than Permitted Liens;

(d) the Borrower shall have delivered to the Lenders not less than ten (10) (or such shorter period as the Lenders may accept) nor more than forty five (45) days prior to the date of such Acquisition, notice of such Acquisition together with pro forma projected financial information, copies of all material documents relating to such acquisition, and historical financial statements for such acquired entity, division or line of business, in each case in form and substance satisfactory to the Lenders and demonstrating compliance with the covenants set forth in Section 7.20 hereof on a pro forma basis as if the Acquisition occurred on the first day of the most recent measurement period;

(e) both immediately before and after such Acquisition no Default or Event of Default shall have occurred and be continuing; and

(f) the sum of the purchase price of such proposed new Acquisition, computed on the basis of total acquisition consideration paid or incurred, or to be paid or incurred, by Borrower with respect thereto, including the amount of Permitted Indebtedness assumed or to which such assets, businesses or business or ownership interest or shares, or any Person so acquired, is subject, shall not be greater than (i) $1,000,000 for any single acquisition or group of related acquisitions or (ii) $2,500,000 for all such acquisitions during the term of this Agreement.

"Permitted Bond Hedge Transaction" means any call or capped call option (or substantively equivalent derivative transaction) relating to Common Stock (or other securities or property following a

merger event or other change of the Common Stock) purchased by Borrower in connection with the issuance of any Permitted Convertible Debt and as may be amended in accordance with its terms; *provided* that, the net purchase price of any such call option transaction less the amount received by Borrower in respect of any Permitted Warrant Transaction in connection with such issuance of Permitted Convertible Debt shall not exceed 15% of the gross proceeds to Borrower from such issuance of Permitted Convertible Debt; *provided further* that the terms, conditions and covenants of each such call option transaction are customary for agreements of such type, as determined in good faith by the board of directors of the Borrower or a committee thereof.

"Permitted Convertible Debt" means Indebtedness of the Borrower that is convertible into a fixed number (subject to customary anti-dilution adjustments, "make-whole" increases and other customary changes thereto) of shares of Common Stock (or other securities or property following a merger event or other change of the Common Stock), cash or any combination thereof (with the amount of such cash or such combination determined by reference to the market price of such Common Stock or such other securities); *provided* that such Indebtedness shall (a) not require any scheduled amortization or otherwise require payment of principal prior to, or have a scheduled maturity date earlier than, one hundred eighty (180) days after the Term Loan Maturity Date, (b) be unsecured, (c) not be guaranteed by any Subsidiary of Borrower, and (d) be on terms and conditions customary for Indebtedness of such type, as determined in good faith by the board of directors of the Borrower or a committee thereof; *provided further*, that any cross-default or cross-acceleration event of default (each howsoever defined) provision contained therein that relates to indebtedness or other payment obligations of Borrower (or any of its Subsidiaries) (such indebtedness or other payment obligations, a "Cross-Default Reference Obligation") contains a cure period of at least thirty (30) calendar days (after written notice to the issuer of such Indebtedness by the trustee or to such issuer and such trustee by holders of at least 25% in aggregate principal amount of such Indebtedness then outstanding) before a default, event of default, acceleration or other event or condition under such Cross-Default Reference Obligation results in an event of default under such cross-default or cross-acceleration provision.

"Permitted Indebtedness" means:

(i) Indebtedness of Borrower in favor of the Lenders or Agent arising under this Agreement or any other Loan Document;

(ii) Indebtedness existing on the Closing Date which is disclosed in Schedule 1A;

(iii) Indebtedness of up to $500,000 outstanding at any time secured by a Lien described in clause (vii) of the defined term "Permitted Liens," provided such Indebtedness does not exceed the cost of the Equipment financed with such Indebtedness;

(iv) Indebtedness to trade creditors incurred in the ordinary course of business, including such Indebtedness incurred in the ordinary course of business with corporate credit cards in an amount not to exceed $500,000 at any time outstanding;

(v) Indebtedness that also constitutes a Permitted Investment;

(vi) Subordinated Indebtedness;

(vii) reimbursement obligations in connection with letters of credit that are secured by Cash and issued on behalf of the Borrower or a Subsidiary thereof in an amount not to exceed $250,000 at any time outstanding;

(viii) other Indebtedness in an amount not to exceed $500,000 at any time outstanding; provided that if such Indebtedness is secured, such Liens must qualify as a Permitted Lien under clause (xv) of the definition thereof;

(ix) intercompany Indebtedness as long as each of the obligor and the obligee under such Indebtedness is either the Borrower or a Subsidiary that has executed a Joinder Agreement;

(x) Indebtedness consisting of (i) the financing of insurance premiums or (ii) take-or-pay obligations contained in supply arrangements in each case, incurred in the ordinary course of business;

(xi) Permitted Convertible Debt in an aggregate principal amount not to exceed $350,000,000 at any one time outstanding; and

(xii) extensions, refinancings and renewals of any items of Permitted Indebtedness, provided that the principal amount is not increased or the terms modified do not impose materially more burdensome terms upon Borrower or its Subsidiary, as the case may be.

"Permitted Investment" means:

(i) Investments existing on the Closing Date which are disclosed in Schedule 1B;

(ii) (a) marketable direct obligations issued or unconditionally guaranteed by the United States of America or any agency or any State thereof maturing within one year from the date of acquisition thereof currently having a rating of at least A-2 or P-2 from either Standard & Poor's Corporation or Moody's Investors Services, (b) commercial paper maturing no more than one year from the date of creation thereof and currently having a rating of at least A-2 or P-2 from either Standard & Poor's Corporation or Moody's Investors Service, (c) certificates of deposit issued by any bank with assets of at least $500,000,000 maturing no more than one year from the date of investment therein, (d) money market accounts and (e) Investments in cash equivalents made pursuant to Borrower's investment policy so long as such investment policy has been delivered to and approved by Agent;

(iii) repurchases of stock from former employees, directors, or consultants of Borrower under the terms of applicable repurchase agreements at the original issuance price of such securities in an aggregate amount not to exceed $250,000 in any fiscal year, provided that no Event of Default has occurred, is continuing or would exist after giving effect to the repurchases;

(iv) Investments accepted in connection with Permitted Transfers;

(v) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of Borrower's business;

(vi) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business, provided that this subparagraph (vi) shall not apply to Investments of Borrower in any Subsidiary;

(vii) Investments consisting of loans not involving the net transfer on a substantially contemporaneous basis of cash proceeds to employees, officers or directors relating to the purchase of capital stock of Borrower pursuant to employee stock purchase plans or other similar agreements approved by Borrower's board of directors;

(viii) Investments consisting of travel advances in the ordinary course of business;

(ix) Investments in newly-formed Subsidiaries, provided that each such Subsidiary enters into a Joinder Agreement promptly after its formation by Borrower and execute such other documents as shall be reasonably requested by Agent;

(x) Investments in Foreign Subsidiaries hereafter formed in an amount not to exceed $200,000 in any fiscal year;

(xi) joint ventures or strategic alliances in the ordinary course of Borrower's business consisting of the nonexclusive licensing of technology, the development of technology or the providing of technical support, provided that any cash Investments by Borrower do not exceed $100,000 in the aggregate in any fiscal year;

(xii) Permitted Acquisitions;

(xiii) Borrower's entry into (including payments of premiums in connection therewith), and the performance of obligations under, any Permitted Bond Hedge Transactions and Permitted Warrant Transactions in accordance with their terms; and

(xiv) additional Investments that do not exceed $500,000 in the aggregate.

"Permitted Liens" means:

(i) Liens in favor of Agent or the Lenders;

(ii) Liens existing on the Closing Date which are disclosed in Schedule 1C;

(iii) Liens for taxes, fees, assessments or other governmental charges or levies, which are not yet due or remain payable without penalty or which are being contested in good faith by appropriate proceedings diligently conducted; provided, that Borrower maintains adequate reserves therefor on Borrower's Books in accordance with GAAP;

(iv) Liens securing claims or demands of materialmen, artisans, mechanics, carriers, warehousemen, landlords and other like Persons arising in the ordinary course of Borrower's business and imposed without action of such parties, which remain payable without penalty or which are being contested in good faith by appropriate proceedings diligently conducted; provided, that Borrower maintains adequate reserves therefor on Borrower's Books in accordance with GAAP;

(v) Liens arising from judgments, decrees or attachments in circumstances which do not constitute an Event of Default hereunder;

(vi) the following deposits, to the extent made in the ordinary course of business: deposits under worker's compensation, unemployment insurance, social security and other similar laws, or to secure the performance of bids, tenders or contracts (other than for the repayment of

borrowed money) or to secure indemnity, performance or other similar bonds for the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure statutory obligations (other than Liens arising under ERISA or environmental Liens) or surety or appeal bonds, or to secure indemnity, performance or other similar bonds;

(vii) Liens on Equipment or software or other intellectual property constituting purchase money Liens and Liens in connection with capital leases securing Indebtedness permitted in clause (iii) of "Permitted Indebtedness";

(viii) Liens incurred in connection with Subordinated Indebtedness;

(ix) leasehold interests in leases or subleases and licenses granted in the ordinary course of business and not interfering in any material respect with the business of the licensor;

(x) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of custom duties that are promptly paid on or before the date they become due;

(xi) Liens on insurance proceeds securing the payment of financed insurance premiums that are promptly paid on or before the date they become due (provided that such Liens extend only to such insurance proceeds and not to any other property or assets);

(xii) statutory and common law rights of set-off and other similar rights as to deposits of cash and securities in favor of banks, other depository institutions and brokerage firms;

(xiii) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business so long as they do not materially impair the value or marketability of the related property;

(xiv) Liens on Cash securing obligations permitted under clause (vii) of the definition of Permitted Indebtedness in an aggregate amount not to exceed $500,000 at any time; other Liens securing obligations in an amount not to exceed $500,000 at any time outstanding; provided that such Liens be limited to specific assets (other than Intellectual Property) and not all assets or substantially all assets of Borrower; provided further that no such Liens shall encumber any Intellectual Property;

(xv) Liens consisting of Permitted Out-Licenses; and

(xvi) Liens incurred in connection with the extension, renewal or refinancing of the Indebtedness secured by Liens of the type described in clauses (i) through (xvi) above; provided, that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the Indebtedness being extended, renewed or refinanced (as may have been reduced by any payment thereon) does not increase.

"Permitted Out-Licenses" mean the following licenses entered into in the ordinary course of business and on an arms' length basis:

(i) non-exclusive licenses and non-exclusive arrangements for the use of Intellectual Property;

(ii) licenses that could not result in a legal transfer of title of the licensed property that may be exclusive in respects other than territory; and

(iii) licenses that could not result in a legal transfer of title of the licensed property that may be exclusive as to territory, but only:

(w) as to discreet geographical areas outside of the United States of America,

(x) with respect to [* * *],

(y) with respect to [* * *] with the consent of the Agent, or

(z) for Non-Core Intellectual Property.

"Permitted Transfers" means:

(i) sales of Inventory in the ordinary course of business,

(ii) Permitted Out-Licenses,

(iii) dispositions of worn-out, obsolete or surplus Equipment at fair market value in the ordinary course of business, and

(iv) other Transfers of assets having a fair market value of not more than $500,000 in the aggregate in any fiscal year.

"Permitted Warrant Transaction" means any call option, warrant or right to purchase (or substantively equivalent derivative transaction) relating to Common Stock (or other securities or property following a merger event or other change of the Common Stock) and/or cash (in an amount determined by reference to the price of such Common Stock) sold by Borrower substantially concurrently with any purchase by Borrower of a related Permitted Bond Hedge Transaction and as may be amended in accordance with its terms; provided that (x) that the terms, conditions and covenants of each such call option transaction are customary for agreements of such type, as determined in good faith by the board of directors of the Borrower or a committee thereof and (y) such call option transaction would be classified as an equity instrument in accordance with GAAP.

"Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, other entity or government.

"Qualified Cash" means the amount of Borrower's Cash held in accounts subject to an Account Control Agreement in favor of Agent.

"Qualified Cash A/P Amount" means the amount of Borrower's accounts payable under GAAP not paid after the 120th day following the invoice for such account payable.

"Receivables" means (i) all of Borrower's Accounts, Instruments, Chattel Paper, Supporting Obligations, letters of credit, proceeds of any letter of credit, and Letter of Credit Rights, and (ii) all customer lists, software, and business records related thereto.

"Redemption Conditions" means, with respect to any payment of cash in respect of the principal amount of any Permitted Convertible Debt, satisfaction of each of the following events: (a) no

Default or Event of Default shall exist or result therefrom, and (b) both immediately before and at all times after such redemption, Borrower's Qualified Cash shall be no less than the sum of 150% of the outstanding Secured Obligations *plus* the Qualified Cash A/P Amount.

"Register" has the meaning specified in Section 11.7.

"Required Lenders" means, at any time, the holders of more than 50% of the sum of the aggregate unpaid principal amount of the Term Loans then outstanding.

"Restricted License" means any material License or other agreement with respect to which Borrower is the licensee (a) that prohibits or otherwise restricts Borrower from granting a security interest in Borrower's interest in such License or agreement or any other property (other than to the extent such assignment would be rendered invalid pursuant to Section 9-408 of the Code), or (b) for which a default under or termination of could interfere with the Agent's right to sell any Collateral.

"Sanctioned Country" means, at any time, a country or territory which is the subject or target of any Sanctions.

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or by the United Nations Security Council, the European Union or any EU member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom.

"Secured Obligations" means Borrower's obligations under this Agreement and any Loan Document, including any obligation to pay any amount now owing or later arising.

"Subordinated Indebtedness" means Indebtedness subordinated to the Secured Obligations in amounts and on terms and conditions satisfactory to Agent in its reasonable discretion and subject to a "deep" subordination agreement (i.e., "deep" payment, lien and enforcement subordination) in form and substance satisfactory to Agent in its reasonable discretion.

"Subsequent Financing" means the closing of any Borrower financing which becomes effective after the Closing Date and is marketed to multiple investors.

"Subsidiary" means an entity, whether a corporation, partnership, limited liability company, joint venture or otherwise, in which Borrower owns or controls 50% or more of the outstanding voting securities, including each entity listed on Schedule 1 hereto.

"T3M Net Product Revenue" means Borrower's net product revenue (as determined in accordance with GAAP) solely from the sale of [* * *] (which shall not include any royalty, profit sharing, or milestone revenue), measured on a trailing three-month basis as of the date of the most recently delivered monthly financial statement in accordance with Section 7.1(a).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any governmental authority, including any interest, additions to tax or penalties applicable thereto.

"Term Commitment" means as to any Lender, the obligation of such Lender, if any, to make a Term Loan Advance to the Borrower in a principal amount not to exceed the amount set forth under the heading "Term Commitment" opposite such Lender's name on Schedule 1.1.

"Term Loan Advance" means each Tranche 1 Advance, Tranche 2 Advance, Tranche 3 Advance, Tranche 4 Advance and any other Term Loan funds advanced under this Agreement.

"Term Loan Interest Rate" means for any day a per annum rate of interest equal to the greater of either (i) (a) the prime rate as reported in The Wall Street Journal, plus (b) 6.40%, and (ii) 9.65%.

"Term Loan Maturity Date" means June 1, 2024; provided, however, if Borrower achieves the Performance Milestone prior to the Amortization Date, then June 1, 2025; provided, further that if the applicable day is not a Business Day, the Term Loan Maturity Date shall be the immediately preceding Business Day.

"Trademark License" means any written agreement granting any right to use any Trademark or Trademark registration, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

"Trademarks" means all trademarks (registered, common law or otherwise) and any applications in connection therewith, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States of America, any State thereof or any other country or any political subdivision thereof.

"Tranche 2 Draw Conditions" means (i) Borrower's achievement of the Performance Milestone and (ii) both before and after giving effect to any such Tranche 2 Advance no Default or Event of Default shall have occurred and be continuing.

"Tranche 3 Draw Conditions" means (i) Borrower's achievement of the Performance Milestone, and (ii) both before and after giving effect to any such Tranche 3 Advance, (a) the Net Product Revenue Ratio shall be no greater than 2.75:1.00 and (b) no Default or Event of Default shall have occurred and be continuing.

"Tranche 3 Facility Charge" means One Hundred Fifty Thousand Dollars ($150,000), which is payable to the Lenders in accordance with Section 4.2(d).

"Tranche 3 Term Commitment" means as to any Lender, the obligation of such Lender, if any, to make a Term Loan Advance to Borrower in a principal amount not to exceed the amount set forth under the heading "Tranche 3 Term Commitment" opposite such Lender's name on Schedule 1.1.

"Tranche 4 Facility Charge" means one percent (1.00%) of the amount of Tranche 4 Advances funded, which is payable to the Lenders in accordance with Section 4.2(d).

"UCC" means the Uniform Commercial Code as the same is, from time to time, in effect in the State of California; provided, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, Agent's Lien on any Collateral

is governed by the Uniform Commercial Code as the same is, from time to time, in effect in a jurisdiction other than the State of California, then the term "UCC" shall mean the Uniform Commercial Code as in effect, from time to time, in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

"U.S. Person" means any Person that is a "United States person" as defined in Section 7701(a)(30) of the Code.

1.2 The following terms are defined in the Sections or subsections referenced opposite such terms:

Defined Term	Section
Agent	Preamble
Assignee	11.14
Borrower	Preamble
Claims	11.11
Collateral	3.1
Confidential Information	11.13
End of Term Charge	2.6
Event of Default	9
Financial Statements	7.1
Indemnified Person	6.3
Lenders	Preamble
Liabilities	6.3
Maximum Rate	2.3
Open Source License	5.10
Participant Register	11.8
Prepayment Charge	2.5
Publicity Materials	11.19
Register	11.7
Rights to Payment	3.1
Tranche 1A Advance	2.2(a)(i)
Tranche 1B Advance	2.2(a)(ii)
Tranche 1 Advance	2.2(a)(ii)
Tranche 2 Advance	2.2(a)(iii)
Tranche 3 Advance	2.2(a)(iv)
Tranche 4 Advance	2.2(a)(v)
Unused Fee Commencement Date	2.2(e)

1.3 Unless otherwise specified, all references in this Agreement or any Annex or Schedule hereto to a "Section," "subsection," "Exhibit," "Annex," or "Schedule" shall refer to the corresponding Section, subsection, Exhibit, Annex, or Schedule in or to this Agreement. Unless otherwise specifically provided herein, any accounting term used in this Agreement or the other Loan Documents shall have the meaning customarily given such term in accordance with GAAP, and all financial computations hereunder

shall be computed in accordance with GAAP, consistently applied. Unless otherwise defined herein or in the other Loan Documents, terms that are used herein or in the other Loan Documents and defined in the UCC shall have the meanings given to them in the UCC. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

1.4 Notwithstanding anything to the contrary in this Agreement or any other Loan Document, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof. For the avoidance of doubt, and without limitation of the foregoing, Permitted Convertible Debt shall at all times be valued at the full stated principal amount thereof and shall not include any reduction or appreciation in value of the shares deliverable upon conversion thereof.

SECTION 2. THE LOAN

2.1 [Reserved]

2.2 Term Loan.

(a) Advances.

(i) Subject to the terms of this Agreement, the Lenders will severally (and not jointly) make in an amount not to exceed its respective Term Commitment, and Borrower agrees to draw, a Term Loan Advance of Twenty Million Dollars ($20,000,000) on the Closing Date (the "Tranche 1A Advance").

(ii) Subject to the terms and conditions of this Agreement, beginning on the Closing Date and continuing through March 31, 2021 (or such later date as determined by Agent in its sole discretion upon Borrower's request in connection with any anticipated PDUFA Date), the Lenders will severally (and not jointly) make in an amount not to exceed its respective Term Commitment, a Term Loan Advance of Ten Million Dollars ($10,000,000) (the "Tranche 1B Advance" and together with the Tranche 1A Advance, each a "Tranche 1 Advance").

(iii) Subject to the terms and conditions of this Agreement and satisfaction of the Tranche 2 Draw Conditions, beginning on January 1, 2021 and continuing through December 15, 2021 (or such later date as determined by Agent in its sole discretion upon Borrower's request in connection with any anticipated PDUFA Date), Borrower may request and the Lenders shall severally (and not jointly) make one or more additional Term Loan Advances in an aggregate principal amount of up to Twenty Million Dollars ($20,000,000) in minimum increments of $5,000,000 (each, a "Tranche 2 Advance").

(iv) Subject to the terms and conditions of this Agreement and satisfaction of the Tranche 3 Draw Conditions, beginning on April 1, 2021 and continuing through December 31, 2022, Borrower may request and the Lenders shall severally (and not jointly) make one or more additional Term Loan Advances in an aggregate principal amount of up to Thirty Million Dollars ($30,000,000) in minimum increments of $5,000,000 (each, a "Tranche 3 Advance").

(v) Subject to the terms and conditions of this Agreement, and conditioned on approval by the Lenders' investment committee in its sole discretion, on or before December 31, 2022, Borrower may request additional Term Loan Advances in an aggregate principal amount up to Twenty Million Dollars ($20,000,000) in minimum increments of $5,000,000 (each, a "Tranche 4 Advance").

(vi) The aggregate outstanding Term Loan Advances may be up to the Maximum Term Loan Amount.

(b) Advance Request. To obtain a Term Loan Advance, Borrower shall complete, sign and deliver an Advance Request (at least five (5) Business Days before the Advance Date) to Agent. The Lenders shall fund the Term Loan Advance in the manner requested by the Advance Request provided that each of the conditions precedent to such Term Loan Advance is satisfied as of the requested Advance Date.

(c) Interest. The principal balance of each Term Loan Advance shall bear interest thereon from such Advance Date at the Term Loan Interest Rate based on a year consisting of 360 days, with interest computed daily based on the actual number of days elapsed. The Term Loan Interest Rate will float and change on the day the prime rate as reported in the Wall Street Journal changes from time to time.

(d) Payment. Borrower will pay interest on each Term Loan Advance on the first (1st) Business Day of each month, beginning the month after the Advance Date. Borrower shall repay the aggregate Term Loan principal balance that is outstanding on the day immediately preceding the Amortization Date, in equal monthly installments of principal and interest (mortgage style) beginning on the Amortization Date and continuing on the first Business Day of each month thereafter until the Secured Obligations (other than inchoate indemnity obligations) are repaid. The entire Term Loan principal balance and all accrued but unpaid interest hereunder, shall be due and payable on the Term Loan Maturity Date. Borrower shall make all payments under this Agreement without setoff, recoupment or deduction and regardless of any counterclaim or defense. If a payment hereunder becomes due and payable on a day that is not a Business Day, the due date thereof shall be the immediately preceding Business Day. The Lenders will initiate debit entries to the Borrower's account as authorized on the ACH Authorization (i) on each payment date of all periodic obligations payable to the Lenders under each Term Loan Advance and (ii) reasonable and invoiced out-of-pocket legal fees and costs incurred by Agent or the Lenders in connection with Section 11.12 of this Agreement; provided that, with respect to clause (i) above, in the event that the Lenders or Agent informs Borrower that the Lenders will not initiate a debit entry to Borrower's account for a certain amount of the periodic obligations due on a specific payment date, Borrower shall pay to the Lenders such amount of periodic obligations in full in immediately available funds on such payment date; provided, further, that, with respect to clause (i) above, if the Lenders or Agent informs Borrower that the Lenders will not initiate a debit entry as described above later than the date that is three (3) Business Days prior to such payment date, Borrower shall pay to the Lenders such amount of periodic obligations in full in immediately available funds on the date that is three (3) Business Days after the date on which the Lenders or

Agent notifies Borrower of such; provided, further, that, with respect to clause (ii) above, in the event that the Lenders or Agent informs Borrower that the Lenders will not initiate a debit entry to Borrower's account for certain amount of such out-of-pocket legal fees and costs incurred by Agent or the Lenders, Borrower shall pay to the Lenders such amount in full in immediately available funds within three (3) Business Days.

(e) Unused Fee. In addition to the payments described in Section 2.2(d) above, Borrower shall pay to the Lenders from and after the later of (i) April 1, 2021 and (ii) the date that the Tranche 3 Draw Conditions are satisfied (such later date, the "Unused Fee Commencement Date"), until the earliest to occur of (i) December 31, 2022, (ii) the date that Borrower prepays the outstanding Secured Obligations, or (iii) the date that the Secured Obligations become due and payable in full, an unused fee accruing at the rate of 0.50% per annum on the available but undrawn amount of the Tranche 3 Term Commitments. All such unused fees payable under this section 2.2(e) shall be payable quarterly in arrears on the last day of each fiscal quarter of Borrower occurring on and after the Unused Fee Commencement Date through and including December 31, 2022 and, in addition, on the earliest to occur of (i) the date (if on or prior to December 31, 2022) that Borrower prepays the outstanding Secured Obligations, or (ii) the date (if on or prior to December 31, 2022) that the Secured Obligations become due and payable in full. Such unused fee shall be calculated on the basis of the actual number of days elapsed and a 360 day year. The amount of available but undrawn Tranche 3 Term Commitments shall be calculated each month in connection with the reporting under Section 7.1(a) and Section 7.1(d).

2.3 Maximum Interest. Notwithstanding any provision in this Agreement or any other Loan Document, it is the parties' intent not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans) (the "Maximum Rate"). If a court of competent jurisdiction shall finally determine that Borrower has actually paid to the Lenders an amount of interest in excess of the amount that would have been payable if all of the Secured Obligations had at all times borne interest at the Maximum Rate, then such excess interest actually paid by Borrower shall be applied as follows: first, to the payment of the Secured Obligations consisting of the outstanding principal; second, after all principal is repaid, to the payment of the Lenders' accrued interest, costs, expenses, professional fees and any other Secured Obligations; and third, after all Secured Obligations are repaid, the excess (if any) shall be refunded to Borrower.

2.4 Default Interest. In the event any payment is not paid on the scheduled payment date (or within three (3) Business Days of the scheduled payment date, provided that such late payment is due solely to an administrative or operational error of Agent or the Lenders or Borrower's bank if Borrower had the funds to make the payment when due), an amount equal to four percent (4%) of the past due amount shall be payable on demand; provided that no such amount shall be payable if such nonpayment is due to Lenders' failure to initiate debit entries pursuant to the ACH Authorization. Upon the occurrence and during the continuation of an Event of Default hereunder, all Secured Obligations, including principal, interest, compounded interest, and professional fees, shall bear interest at a rate per annum equal to the rate set forth in Section 2.2(c) plus four percent (4%) per annum. In the event any interest is not paid when due hereunder, delinquent interest shall be added to principal and shall bear interest on interest, compounded at the rate set forth in Section 2.2(c) or Section 2.4, as applicable.

2.5 Prepayment.

(a) At its option upon at least seven (7) Business Days prior written notice to Agent, Borrower may prepay all or a portion of the outstanding Advances by paying the entire principal balance, or a portion thereof in minimum increments of Five Million Dollars ($5,000,000), all accrued and unpaid interest thereon, together with a prepayment charge equal to the following percentage of the Advance amount being prepaid: with respect to each Advance, if such Advance amounts are prepaid in any of the first twelve (12) months following the Closing Date, 3.00%; after twelve (12) months but prior to twenty-four (24) months, 2.00%; and after twenty-four (24) months but prior to thirty-six (36) months, 1.00% (each, a "Prepayment Charge"). If at any time Borrower elects to make a prepayment, and at such time, there are outstanding Advances under multiple Tranches, the Prepayment Charge shall be determined by applying the amount of such prepayment in the following order: first, to the outstanding principal amount (and accrued but unpaid interest thereon) of Advances outstanding under the Tranche with the latest initial funding date; second, to the outstanding principal amount (and accrued but unpaid interest thereon) of Advances outstanding under the Tranche with the next latest initial funding date and so on until the entire principal balance of all Advances made hereunder (and all accrued but unpaid interest thereon) is paid in full. Borrower agrees that the Prepayment Charge is a reasonable calculation of the Lenders' lost profits in view of the difficulties and impracticality of determining actual damages resulting from an early repayment of the Advances. Borrower shall prepay the outstanding amount of all principal and accrued interest through the prepayment date and the Prepayment Charge upon the occurrence of a Change in Control or any other prepayment hereunder. Notwithstanding the foregoing, Agent and the Lenders agree to waive the Prepayment Charge if Agent and the Lenders (in their sole and absolute discretion) agree in writing to refinance the Advances prior to the Term Loan Maturity Date.

(b) At its option upon at least three (3) Business Days prior written notice to Agent, Borrower may prepay the portion of the outstanding Advances necessary to prevent an Event of Default under Section 9.2 with respect to the covenant in Section 7.20 and all accrued and unpaid interest thereon; provided that such prepayment does not exceed the amount required to prevent such Event of Default. Any partial prepayments made pursuant to this Section 2.5(b) shall not be subject to a Prepayment Charge. For the avoidance of doubt, the amounts prepaid under this Section 2.5(b) shall not be available to be reborrowed.

(c) Any amounts paid under this Section shall be applied by Agent to the then unpaid amount of any Secured Obligations (including principal and interest) in such order and priority as Agent may choose in its sole discretion. For the avoidance of doubt, if a payment hereunder becomes due and payable on a day that is not a Business Day, the due date thereof shall be the immediately preceding Business Day.

2.6 End of Term Charge.

(a) On any date that Borrower partially prepays the outstanding Secured Obligations pursuant to Section 2.5(a), Borrower shall pay the Lenders a charge of 6.95% of such Term Loan Advances being prepaid.

(b) On the earliest to occur of (i) the Term Loan Maturity Date, (ii) the date that Borrower prepays the outstanding Secured Obligations (other than any inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) in full pursuant to Section 2.5(a), or (iii) the date that the Secured Obligations become due and payable in full, Borrower shall pay the Lenders a charge of (x) the greater of (A) Two Million Eighty-Five Thousand Dollars ($2,085,000) and (B) 6.95% of the aggregate amount of all Term Loan Advances funded *minus* (y) the aggregate amount of payments made pursuant to

Section 2.6(a) (collectively with any charge made pursuant to Section 2.6(a), the "End of Term Charge").

(c) Notwithstanding the required payment date of any such End of Term Charge, the applicable pro rata portion of the End of Term Charge shall be deemed earned by the Lenders as of each date a Term Loan Advance is made. For the avoidance of doubt, if a payment hereunder becomes due and payable on a day that is not a Business Day, the due date thereof shall be the immediately preceding Business Day.

2.7 Pro Rata Treatment. Each payment (including prepayment) on account of any fee and any reduction of the Term Loans shall be made pro rata according to the Term Commitments of the relevant Lender.

2.8 Taxes; Increased Costs. The Borrower, the Agent and the Lenders each hereby agree to the terms and conditions set forth on Addendum 1 attached hereto.

2.9 Treatment of Prepayment Charge and End of Term Charge. Borrower agrees that any Prepayment Charge and any End of Term Charge payable shall be presumed to be the liquidated damages sustained by each Lender as the result of the early termination, and Borrower agrees that it is reasonable under the circumstances currently existing and existing as of the Closing Date. The Prepayment Charge and the End of Term Charge shall also be payable in the event the Secured Obligations (and/or this Agreement) are satisfied or released by foreclosure (whether by power of judicial proceeding), deed in lieu of foreclosure, or by any other means. Borrower expressly waives (to the fullest extent it may lawfully do so) the provisions of any present or future statute or law that prohibits or may prohibit the collection of the foregoing Prepayment Charge and End of Term Charge in connection with any such acceleration. Borrower agrees (to the fullest extent that each may lawfully do so): (a) each of the Prepayment Charge and the End of Term Charge is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (b) each of the Prepayment Charge and the End of Term Charge shall be payable notwithstanding the then prevailing market rates at the time payment is made; (c) there has been a course of conduct between the Lenders and Borrower giving specific consideration in this transaction for such agreement to pay the Prepayment Charge and the End of Term Charge as a charge (and not interest) in the event of prepayment or acceleration; (d) Borrower shall be estopped from claiming differently than as agreed to in this paragraph. Borrower expressly acknowledges that its agreement to pay each of the Prepayment Charge and the End of Term Charge to the Lenders as herein described was on the Closing Date and continues to be a material inducement to the Lenders to provide the Term Loans.

SECTION 3. SECURITY INTEREST

3.1 As security for the prompt and complete payment when due (whether on the payment dates or otherwise) of all the Secured Obligations, Borrower grants to Agent a security interest in all of Borrower's right, title, and interest in, to and under all of Borrower's personal property and other assets including without limitation the following (except as set forth herein) whether now owned or hereafter acquired (collectively, the "Collateral"): (a) Receivables; (b) Equipment; (c) Fixtures; (d) General Intangibles; (e) Inventory; (f) Investment Property; (g) Deposit Accounts; (h) Cash; (i) Documents, (j) Goods; and all other tangible and intangible personal property of Borrower whether now or hereafter owned or existing, leased, consigned by or to, or acquired by, Borrower and wherever located, and any of Borrower's property in the possession or under the control of Agent; and, to the extent not otherwise included, all Proceeds of each of the

foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of each of the foregoing.

3.2 Notwithstanding the broad grant of the security interest set forth in Section 3.1, above, the Collateral shall not include (a) any "intent to use" trademarks at all times prior to the first use thereof, whether by the actual use thereof in commerce, the recording of a statement of use with the United States Patent and Trademark Office or otherwise, provided, that upon submission and acceptance by the United States Patent and Trademark Office of an amendment to allege use of an intent-to-use trademark application pursuant to 15 U.S.C. Section 1060(a) (or any successor provision) such intent-to-use application shall constitute Collateral, (b) nonassignable licenses or contracts, which by their terms require the consent of the licensor thereof or another party (but only to the extent such prohibition on transfer is enforceable under applicable law, including, without limitation, Sections 9406, 9407 and 9408 of the UCC) and (c) any Excluded Account.

SECTION 4. CONDITIONS PRECEDENT TO LOAN

The obligations of the Lenders to make the Loan hereunder are subject to the satisfaction by Borrower of the following conditions:

4.1 Initial Advance. On or prior to the Closing Date, Borrower shall have delivered to Agent the following:

(a) executed copies of the Loan Documents and all other documents and instruments reasonably required to create and perfect the Liens of Agent with respect to all Collateral, in all cases in form and substance reasonably acceptable to Agent;

(b) a legal opinion of Borrower's counsel in form and substance reasonably acceptable to Agent;

(c) certified copy of resolutions of Borrower's board of directors evidencing approval of the Loan and other transactions evidenced by the Loan Documents;

(d) certified copies of the Certificate of Incorporation and the Bylaws, as amended through the Closing Date, of Borrower;

(e) a certificate of good standing for Borrower from its state of incorporation and similar certificates from all other jurisdictions in which it does business and where the failure to be qualified could have a Material Adverse Effect;

(f) payment of the Initial Facility Charge and reimbursement of Agent's and the Lenders' current expenses reimbursable pursuant to this Agreement, which amounts may be deducted from the initial Advance;

(g) all certificates of insurance and copies of each insurance policy required hereunder; and

(h) such other documents as Agent may reasonably request.

4.2 All Advances. On each Advance Date:

(a) Agent shall have received (i) an Advance Request for the relevant Advance as required by Section 2.2(b), duly executed by Borrower's Chief Executive Officer or Chief Financial Officer, and (ii) any other documents Agent may reasonably request; provided that, if Agent and the Lenders make any Advance, then the requirement set forth in clause (ii) shall be deemed to have been satisfied to Agent's knowledge with respect to such Advance.

(b) The representations and warranties set forth in this Agreement shall be true and correct in all material respects on and as of the Advance Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date.

(c) Borrower shall be in material compliance with all the terms and provisions set forth herein and in each other Loan Document on its part to be observed or performed, and at the time of and immediately after such Advance, no Default or Event of Default shall have occurred and be continuing.

(d) With respect to any Tranche 3 Advance, Borrower shall deliver a calculation detailing the Net Product Revenue Ratio and demonstrating compliance with the Tranche 3 Draw Conditions in form and substance reasonably acceptable to Agent.

(e) With respect to the initial Tranche 3 Advance and any Tranche 4 Advance, the Borrower shall have paid the Tranche 3 Facility Charge or the Tranche 4 Facility Charge, as applicable.

(f) Each Advance Request shall be deemed to constitute a representation and warranty by Borrower on the relevant Advance Date as to the matters specified in paragraphs (b) and (c) of this Section 4.2 and as to the matters set forth in the Advance Request.

4.3 No Default. As of the Closing Date and each Advance Date, no event that has had or could reasonably be expected to have a Material Adverse Effect has occurred and is continuing.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF BORROWER

Borrower represents and warrants that:

5.1 Corporate Status. Borrower is a corporation duly organized, legally existing and in good standing under the laws of its state of incorporation, and is duly qualified as a foreign corporation in all jurisdictions in which the nature of its business or location of its properties require such qualifications and where the failure to be qualified could reasonably be expected to have a Material Adverse Effect. Borrower's present name, former names (if any), locations, place of formation, Tax identification number, organizational identification number and other information are correctly set forth in Exhibit B, as may be updated by Borrower in a written notice (including any Compliance Certificate) provided to Agent after the Closing Date.

5.2 Collateral. Borrower owns, or has good and valid title to, the Collateral, free of all Liens, except for Permitted Liens. Borrower has the power and authority to grant to Agent a Lien in the Collateral as security for the Secured Obligations.

5.3 Consents. Borrower's execution, delivery and performance of this Agreement and all other Loan Documents (i) have been duly authorized by all necessary corporate action of Borrower, (ii) will not result in the creation or imposition of any Lien upon the Collateral, other

than Permitted Liens and the Liens created by this Agreement and the other Loan Documents, (iii) do not violate any provisions of Borrower's Certificate of Incorporation, bylaws, or any, law, regulation, order, injunction, judgment, decree or writ to which Borrower is subject and (iv) except as described on Schedule 5.3, do not violate any contract or agreement or require the consent or approval of any other Person which has not already been obtained except for consents and approvals the failure of which to obtain would not be reasonably expected to have a Material Adverse Effect. The individual or individuals executing the Loan Documents are duly authorized to do so.

5.4 Material Adverse Effect. No event that has had or could reasonably be expected to have a Material Adverse Effect has occurred and is continuing. Borrower is not aware of any event likely to occur that is reasonably expected to result in a Material Adverse Effect.

5.5 Actions Before Governmental Authorities. There are no actions, suits or proceedings at law or in equity or by or before any governmental authority now pending or, to the knowledge of Borrower, threatened in writing against or affecting Borrower or its property, that is reasonably expected to result in a Material Adverse Effect.

5.6 Laws. Neither Borrower nor any of its Subsidiaries is in violation of any law, rule or regulation, or in default with respect to any judgment, writ, injunction or decree of any governmental authority, where such violation or default is reasonably expected to result in a Material Adverse Effect. Borrower is not in default in any manner under any provision of any agreement or instrument evidencing Indebtedness, or any other agreement to which it is a party or by which it is bound, which default is reasonably expected to result in a Material Adverse Effect.

Neither Borrower nor any of its Subsidiaries is an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Neither Borrower nor any of its Subsidiaries is engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower and each of its Subsidiaries has complied in all material respects with the Federal Fair Labor Standards Act. Neither Borrower nor any of its Subsidiaries is a "holding company" or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company" as each term is defined and used in the Public Utility Holding Company Act of 2005. Neither Borrower's nor any of its Subsidiaries' properties or assets has been used by Borrower or such Subsidiary or, to Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than in material compliance with applicable laws. Borrower and each of its Subsidiaries has obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all governmental authorities that are necessary to continue their respective businesses as currently conducted.

None of Borrower, any of its Subsidiaries, or to their knowledge, any of Borrower's or its Subsidiaries' respective controlled Affiliates or any of their respective agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement is (i) in violation of any Anti Terrorism Law, (ii) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding or attempts to violate, any of the prohibitions set forth in any Anti Terrorism Law, or (iii) is a Blocked Person. None of Borrower, any of its Subsidiaries, or to the knowledge of Borrower, any of their controlled Affiliates or agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement, (x) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (y) deals in, or otherwise engages in any transaction relating to, any property or interest in property blocked pursuant to Executive Order No.

13224, any similar executive order or other Anti Terrorism Law. None of the funds to be provided under this Agreement will be used, directly or indirectly, (a) for any activities in violation of any applicable anti-money laundering, economic sanctions and anti-bribery laws and regulations laws and regulations or (b) for any payment to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

5.7 Information Correct and Current. No information, report, Advance Request, financial statement, exhibit or schedule furnished, by or on behalf of Borrower to Agent in connection with any Loan Document or included therein or delivered pursuant thereto contained, or, when taken as a whole, contains or will contain any material misstatement of fact or, when taken together with all other such information or documents, omitted, omits or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are or will be made, not materially misleading at the time such statement was made or deemed made. Additionally, any and all financial or business projections provided by Borrower to Agent, whether prior to or after the Closing Date, shall be (i) provided in good faith and based on the most current data and information available to Borrower, and (ii) the most current of such projections provided to Borrower's board of directors.

5.8 Tax Matters. Except as described on Schedule 5.8, (a) Borrower and its Subsidiaries have filed all federal and state income Tax returns and other material Tax returns that they are required to file, (b) Borrower and its Subsidiaries have duly paid all federal and state income Taxes and other material Taxes or installments thereof that they are required to pay, except Taxes being contested in good faith by appropriate proceedings and for which Borrower and its Subsidiaries maintain adequate reserves in accordance with GAAP, and (c) to the best of Borrower's knowledge, no proposed or pending Tax assessments, deficiencies, audits or other proceedings with respect to Borrower or any Subsidiary have had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

5.9 Intellectual Property Claims. Borrower is the sole owner of, or otherwise has the right to use, the Intellectual Property material to Borrower's business. Except as described on Schedule 5.9, (i) each of the material Copyrights, Trademarks and Patents is valid and enforceable, (ii) no material part of the Intellectual Property has been judged invalid or unenforceable, in whole or in part, and (iii) except as set forth in the most recently delivered Compliance Certificate in accordance with Section 7.1(d), no claim has been made to Borrower that any material part of the Intellectual Property violates the rights of any third party. Exhibit C is a true, correct and complete list of each of Borrower's Patents, registered Trademarks, registered Copyrights, and material agreements under which Borrower licenses Intellectual Property from third parties (other than shrink-wrap software licenses), together with application or registration numbers, as applicable, owned by Borrower or any Subsidiary, in each case as of the Closing Date. Borrower is not in breach of, nor has Borrower failed to perform any obligations under, any of the foregoing contracts, licenses or agreements and, to Borrower's knowledge, no third party to any such contract, license or agreement is in breach thereof or has failed to perform any obligations thereunder, in each case, to the extent such breach is reasonably expected to have a Material Adverse Effect.

5.10 Intellectual Property. Except as described on Schedule 5.10, Borrower has all material rights with respect to Intellectual Property necessary or material in the operation or conduct of Borrower's business as currently conducted and proposed to be conducted by Borrower. Without limiting the generality of the foregoing, and in the case of Licenses, except for

restrictions that are unenforceable under Division 9 of the UCC, Borrower has the right, to the extent required to operate Borrower's business, to freely transfer, license or assign Intellectual Property necessary or material in the operation or conduct of Borrower's business as currently conducted and proposed to be conducted by Borrower, without condition, restriction or payment of any kind (other than license payments in the ordinary course of business) to any third party, and Borrower owns or has the right to use, pursuant to valid licenses, all software development tools, library functions, compilers and all other third-party software and other items that are material to Borrower's business and used in the design, development, promotion, sale, license, manufacture, import, export, use or distribution of Borrower Products except customary covenants in inbound license agreements and equipment leases where Borrower is the licensee or lessee. Except as has been disclosed in the Perfection Certificate or pursuant to Section 7.1(d), Borrower is not a party to, nor is it bound by, any Restricted License.

No material software or other materials used by Borrower or any of its Subsidiaries (or used in any Borrower Products or any Subsidiaries' products) are subject to an open-source or similar license (including but not limited to the General Public License, Lesser General Public License, Mozilla Public License, or Affero License) (collectively, "Open Source Licenses") in a manner that would cause such software or other materials to have to be (i) distributed to third parties at no charge or a minimal charge (royalty-free basis); (ii) licensed to third parties to modify, make derivative works based on, decompile, disassemble, or reverse engineer; or (iii) used in a manner that does could require disclosure or distribution in source code form.

5.11 Borrower Products. Except as described on Schedule 5.11 or in the most recently delivered Compliance Certificate in accordance with Section 7.1(d), no Intellectual Property owned by Borrower or Borrower Product is subject to any actual or, to the knowledge of Borrower, threatened litigation, proceeding (including any proceeding in the United States Patent and Trademark Office or any corresponding foreign office or agency) or outstanding decree, order, judgment, settlement agreement or stipulation that restricts in any manner Borrower's use, transfer or licensing thereof or that may affect the validity, use or enforceability thereof. There is no decree, order, judgment, agreement, stipulation, arbitral award or other provision entered into in connection with any litigation or proceeding that obligates Borrower to grant licenses or ownership interest in any future Intellectual Property related to the operation or conduct of the business of Borrower or Borrower Products. Except as described in the most recently delivered Compliance Certificate in accordance with Section 7.1(d), Borrower has not received any written notice or claim, or, to the knowledge of Borrower, oral notice or claim, challenging or questioning Borrower's ownership in any Intellectual Property (or written notice of any claim challenging or questioning the ownership in any licensed Intellectual Property of the owner thereof) or suggesting that any third party has any claim of legal or beneficial ownership with respect thereto nor, to Borrower's knowledge, is there a reasonable basis for any such claim. Neither Borrower's use of its Intellectual Property nor the production and sale of Borrower Products infringes the Intellectual Property or other rights of others in any material respect.

5.12 Financial Accounts. Exhibit D, as may be updated by the Borrower in a written notice provided to Agent after the Closing Date, is a true, correct and complete list of (a) all banks and other financial institutions at which Borrower or any Subsidiary maintains Deposit Accounts and (b) all institutions at which Borrower or any Subsidiary maintains an account holding Investment Property, and such exhibit correctly identifies the name, address and telephone number of each bank or other institution, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor.

5.13 Employee Loans. Other than Permitted Investments, Borrower has no outstanding loans to any employee, officer or director of the Borrower nor has Borrower guaranteed the payment of any loan made to an employee, officer or director of the Borrower by a third party.

5.14 Capitalization and Subsidiaries. Borrower's capitalization as of the Closing Date is set forth on Schedule 5.14 annexed hereto. Borrower does not own any stock, partnership interest or other securities of any Person, except for Permitted Investments. Attached as Schedule 5.14, as may be updated by Borrower in a written notice provided after the Closing Date, is a true, correct and complete list of each Subsidiary.

SECTION 6. INSURANCE; INDEMNIFICATION

6.1 Coverage. Borrower shall cause to be carried and maintained commercial general liability insurance, on an occurrence form, against risks customarily insured against in Borrower's line of business. Such risks shall include the risks of bodily injury, including death, property damage, personal injury, advertising injury, and contractual liability per the terms of the indemnification agreement found in Section 6.3. Borrower shall maintain a minimum of $2,000,000 of commercial general liability insurance for each occurrence. Borrower has and agrees to maintain a minimum of $2,000,000 of directors' and officers' insurance for each occurrence and $5,000,000 in the aggregate. So long as there are any Secured Obligations outstanding, Borrower shall also cause to be carried and maintained insurance upon the Collateral, insuring against all risks of physical loss or damage howsoever caused, in an amount not less than the full replacement cost of the Collateral, provided that such insurance may be subject to standard exceptions and deductibles. If Borrower fails to obtain the insurance called for by this Section 6.1 or fails to pay any premium thereon or fails to pay any other amount which Borrower is obligated to pay under this Agreement or any other Loan Document or which may be required to preserve the Collateral, Agent may obtain such insurance or make such payment, and all amounts so paid by Agent are immediately due and payable, bearing interest at the then highest rate applicable to the Secured Obligations, and secured by the Collateral. Agent will make reasonable efforts to provide Borrower with notice of Agent obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Agent are deemed an agreement to make similar payments in the future or Agent's waiver of any Event of Default.

6.2 Certificates. Borrower shall deliver to Agent certificates of insurance that evidence Borrower's compliance with its insurance obligations in Section 6.1 and the obligations contained in this Section 6.2. Borrower's insurance certificate shall state Agent (shown as "Hercules Capital, Inc., as Agent") is an additional insured for commercial general liability, a lenders loss payable for all risk property damage insurance, subject to the insurer's approval, and a lenders loss payable for property insurance and additional insured for liability insurance for any future property or liability insurance that Borrower may acquire from such insurer. Attached to the certificates of insurance will be additional insured endorsements for liability and lender's loss payable endorsements for all risk property damage insurance. All certificates of insurance will provide for a minimum of thirty (30) days advance written notice to Agent of cancellation (other than cancellation for non-payment of premiums, for which ten (10) days' advance written notice shall be sufficient). Any failure of Agent to scrutinize such insurance certificates for compliance is not a waiver of any of Agent's rights, all of which are reserved. Borrower shall provide Agent with copies of each insurance policy evidencing Borrower's compliance with its insurance obligations in Sections 6.1 and 6.2, and upon entering or amending any insurance policy required hereunder, Borrower shall provide Agent with copies of such policies and shall deliver to Agent updated insurance certificates with respect to such policies concurrently with the monthly financial statements delivered pursuant to Section 7.1(a).

6.3 Indemnity. Borrower agrees to indemnify and hold Agent, the Lenders and their officers, directors, employees, agents, in-house attorneys, representatives and shareholders (each, an "Indemnified Person") harmless from and against any and all claims, costs, expenses, damages and liabilities (including such claims, costs, expenses, damages and liabilities based on liability in tort, including strict liability in tort), including reasonable and invoiced attorneys' fees and disbursements and other costs of investigation or defense (including those incurred upon any appeal) (collectively, "Liabilities"), that may be instituted or asserted against or incurred by such Indemnified Person as the result of credit having been extended, suspended or terminated under this Agreement and the other Loan Documents or the administration of such credit, or in connection with or arising out of the transactions contemplated hereunder and thereunder, or any actions or failures to act in connection therewith, or arising out of the disposition or utilization of the Collateral, excluding in all cases Liabilities to the extent resulting solely from any Indemnified Person's gross negligence or willful misconduct. This Section 6.3 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim. In no event shall any Indemnified Person be liable on any theory of liability for any special, indirect, consequential or punitive damages (including any loss of profits, business or anticipated savings). This Section 6.3 shall survive the repayment of indebtedness under, and otherwise shall survive the expiration or other termination of, this Agreement.

SECTION 7. COVENANTS OF BORROWER

Borrower agrees as follows:

7.1 Financial Reports. Borrower shall furnish to Agent the financial statements and reports listed hereinafter (the "Financial Statements"):

(a) within thirty (30) days after the end of each month (provided that in the case of each month ended March 31, June 30, September 30, and December 31, within forty-five (45) days), unaudited interim and year-to-date financial statements as of the end of such month (prepared on a consolidated basis), including balance sheet and related statements of income and cash flows accompanied by a report detailing any material contingencies (including the commencement of any material litigation by or against Borrower) or any other occurrence that could reasonably be expected to have a Material Adverse Effect, all certified by Borrower's Chief Executive Officer or Chief Financial Officer to the effect that they have been prepared in accordance with GAAP, except (i) for the absence of footnotes, (ii) that they are subject to normal year end adjustments, and (iii) they do not contain certain non-cash items that are customarily included in quarterly and annual financial statements;

(b) within forty-five (45) days after the end of each fiscal quarter, unaudited interim and year-to-date financial statements as of the end of such fiscal quarter (prepared on a consolidated basis), including balance sheet and related statements of income and cash flows accompanied by a report detailing any material contingencies (including the commencement of any material litigation by or against Borrower) or any other occurrence that could reasonably be expected to have a Material Adverse Effect, certified by Borrower's Chief Executive Officer or Chief Financial Officer to the effect that they have been prepared in accordance with GAAP, except (i) for the absence of footnotes, and (ii) that they are subject to normal year end adjustments;

(c) within ninety (90) days after the end of each fiscal year, unqualified audited financial statements as of the end of such fiscal year (prepared on a consolidated basis), including balance sheet and related statements of income and cash flows, and setting forth in comparative

form the corresponding figures for the preceding fiscal year, certified by a firm of independent certified public accountants selected by Borrower and reasonably acceptable to Agent, accompanied by any management report from such accountants;

(d) within thirty (30) days after the end of each month, a Compliance Certificate in the form of Exhibit E, which shall include a report showing (x) the T3M Net Product Revenue measured as of the last day of such month, (y) a list of new applications for Intellectual Property or notice of the acquisition thereof and (z) notice of entrance into any Restricted License;

(e) within thirty (30) days after the end of each month, a report showing agings of accounts receivable and accounts payable;

(f) promptly after the sending or filing thereof, as the case may be, copies of any proxy statements, financial statements or reports that Borrower has made available to holders of its common stock and copies of any regular, periodic and special reports or registration statements that Borrower files with the Securities and Exchange Commission or any governmental authority that may be substituted therefor, or any national securities exchange;

(g) [reserved];

as soon as available and promptly following their approval by Borrower's board of directors, but no later than ninety (90) days after the end of each fiscal year after the Closing Date, financial and business projections prepared in good faith by Borrower's management and certified in writing by the Chief Executive Officer or Chief Financial Officer of Borrower and in form and substance reasonably acceptable to Agent, as well as budgets, operating plans and other financial information reasonably requested by Agent; and

(h) immediate notice if Borrower or any Subsidiary has knowledge that Borrower, or any Subsidiary or any director or officer of Borrower, is listed on the OFAC Lists or (a) is convicted on, (b) pleads *nolo contendere* to, (c) is indicted on, or (d) is arraigned and held over on charges involving money laundering or predicate crimes to money laundering.

Borrower shall not (without the consent of Agent, such consent not to be unreasonably withheld or delayed), make any change in its (a) accounting policies or reporting practices, except as required by GAAP or (b) fiscal years or fiscal quarters. The fiscal year of Borrower shall end on December 31.

The executed Compliance Certificate, and all Financial Statements required to be delivered pursuant to clauses (a), (b), (c) and (d) shall be sent via e-mail to [* * *] with a copy to [* * *]; provided, that if e-mail is not available or sending such Financial Statements via e-mail is not possible, they shall be faxed to Agent at: [* * *], attention Account Manager: G1 Therapeutics, Inc.

Notwithstanding the foregoing, documents required to be delivered under Sections 7.1(a), (b), (c) or (f) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower emails a link thereto to Agent; provided that Borrower shall directly provide Agent all Financial Statements required to be delivered pursuant to Section 7.1(b) and (c) hereunder.

7.2 Management Rights. Borrower shall permit any representative that Agent or the Lenders authorizes, including its attorneys and accountants, to inspect the Collateral and examine and make copies and abstracts of the books of account and records of Borrower at reasonable times and upon reasonable notice during normal business hours; provided, however, that so long as

no Event of Default has occurred and is continuing, such examinations shall be limited to no more often than twice per fiscal year. In addition, any such representative shall have the right to meet with management and officers of Borrower to discuss such books of account and records at reasonable time and upon reasonable notice during normal business hours. In addition, Agent or the Lenders shall be entitled at reasonable times and intervals reasonably acceptable to Borrower to consult with and advise the management and officers of Borrower concerning significant business issues affecting Borrower, which consultations shall not unreasonably interfere with Borrower's business operations; provided that the management and officers of Borrower are not obligated to accept such advice. The parties intend that the rights granted Agent and the Lenders shall constitute "management rights" within the meaning of 29 C.F.R. Section 2510.3-101(d)(3)(ii), but that any advice, recommendations or participation by Agent or the Lenders with respect to any business issues shall not be deemed to give Agent or the Lenders, nor be deemed an exercise by Agent or the Lenders of, control over Borrower's management or policies.

Further Assurances. Borrower shall from time to time execute, deliver and file, alone or with Agent, any financing statements, security agreements, collateral assignments, notices, control agreements, promissory notes or other documents to perfect, give the highest priority to Agent's Lien on the Collateral or otherwise evidence Agent's rights herein. Borrower shall from time to time procure any instruments or documents as may be reasonably requested by Agent, and take all further action that may be necessary, or that Agent may reasonably request, to perfect and protect the Liens granted hereby and thereby. In addition, and for such purposes only, Borrower hereby authorizes Agent to execute and deliver on behalf of Borrower and to file such financing statements (including an indication that the financing statement covers "all assets or all personal property" of Borrower in accordance with Section 9-504 of the UCC), collateral assignments, notices, control agreements, security agreements and other documents without the signature of Borrower either in Agent's name or in the name of Agent as agent and attorney-in-fact for Borrower. Borrower shall protect and defend Borrower's title to the Collateral and Agent's Lien thereon against all Persons claiming any interest adverse to Borrower or Agent other than Permitted Liens.

7.3 Indebtedness. Borrower shall not create, incur, assume, guarantee or be or remain liable with respect to any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness, or prepay any Indebtedness or take any actions which impose on Borrower an obligation to prepay any Indebtedness, except for (a) the conversion of Indebtedness into equity securities and the payment of cash in lieu of fractional shares in connection with such conversion, (b) purchase money Indebtedness pursuant to its then applicable payment schedule, (c) prepayment by any Subsidiary of inter-company Indebtedness, (d) any refinancing of Indebtedness with Permitted Indebtedness or (e) as otherwise permitted hereunder or approved in writing by Agent.

Notwithstanding anything to the contrary in the foregoing, the issuance of, performance of obligations under (including any payments of interest), and conversion, exercise, repurchase, redemption (including, for the avoidance of doubt, a required repurchase in connection with the redemption of Permitted Convertible Debt upon satisfaction of a condition related to the stock price of the Common Stock), settlement or early termination or cancellation of (whether in whole or in part and including by netting or set-off) (in each case, whether in cash, Common Stock or, following a merger event or other change of the Common Stock, other securities or property), or the satisfaction of any condition that would permit or require any of the foregoing, any Permitted Convertible Debt shall not constitute a prepayment of Indebtedness by Borrower for the purposes of this Section 7.4; provided that principal payments in cash (other than cash in lieu of fractional shares) shall only be allowed if the Redemption Conditions are satisfied in respect of such payment and at all times after such payment; provided further that, to the extent both (a) the

aggregate amount of cash payable upon conversion or payment of any Permitted Convertible Debt (excluding any required payment of interest with respect to such Permitted Convertible Debt and excluding any payment of cash in lieu of a fractional share due upon conversion thereof) exceeds the aggregate principal amount thereof and (b) such conversion or payment does not trigger or correspond to an exercise or early unwind or settlement of a corresponding portion of the Permitted Bond Hedge Transactions relating to such Permitted Convertible Debt (including, for the avoidance of doubt, the case where there is no Permitted Bond Hedge Transaction relating to such Permitted Convertible Debt), the payment of such excess cash shall not be permitted by the preceding sentence.

Notwithstanding the foregoing, Borrower may repurchase, exchange or induce the conversion of Permitted Convertible Debt by delivery of shares of Common Stock and/or a different series of Permitted Convertible Debt and/or by payment of cash (in an amount that does not exceed the proceeds received by Borrower from the substantially concurrent issuance of shares of Common Stock and/or Permitted Convertible Debt plus the net cash proceeds, if any, received by Borrower pursuant to the related exercise or early unwind or termination of the related Permitted Bond Hedge Transactions and Permitted Warrant Transactions, if any, pursuant to the immediately following proviso); provided that, substantially concurrently with, or a commercially reasonable period of time before or after, the related settlement date for the Permitted Convertible Debt that is so repurchased, exchanged or converted, Borrower shall exercise or unwind or terminate early (whether in cash, shares or any combination thereof) the portion of the Permitted Bond Hedge Transactions and Permitted Warrant Transactions, if any, corresponding to such Permitted Convertible Debt that are so repurchased, exchanged or converted.

7.4 Collateral. Borrower shall at all times keep the Collateral and all other property and assets used in Borrower's business or in which Borrower now or hereafter holds any interest free and clear from any legal process or Liens whatsoever (except for Permitted Liens), and shall give Agent prompt written notice of any legal process affecting all or any portion the Collateral in excess of $500,000 in the aggregate, such other property and assets, or any Liens thereon, provided however, that the Collateral and such other property and assets may be subject to Permitted Liens. Borrower shall not agree with any Person other than Agent or the Lenders not to encumber its property other than (i) as is otherwise permitted in the definitions of "Permitted Transfers" and "Permitted Liens" and (ii) restrictions by reason of customary provisions restricting assignment, subletting or other transfers contained in leases, licenses and similar agreements entered into in the ordinary course of business (provided that such restrictions are limited to the property or assets secured by such Liens or the property or assets subject to such leases, licenses or similar agreements as the case may be). Borrower shall not enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of any Borrower to create, incur, assume or suffer to exist any Lien upon any of its property (including Intellectual Property), whether now owned or hereafter acquired, to secure its obligations under the Loan Documents to which it is a party other than (a) this Agreement and the other Loan Documents, (b) any agreements governing any purchase money Liens or capital lease obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby) and (c) customary restrictions on the assignment of leases, licenses and other agreements. Borrower shall cause its Subsidiaries to protect and defend such Subsidiary's title to its assets from and against all Persons claiming any interest adverse to such Subsidiary, and Borrower shall cause its Subsidiaries at all times to keep such Subsidiary's property and assets free and clear from any legal process or Liens whatsoever (except for Permitted Liens, provided however, that there shall be no Liens whatsoever on Intellectual Property), and shall give Agent prompt written notice of any legal process affecting such Subsidiary's assets.

7.5 Investments. Borrower shall not directly or indirectly acquire or own, or make any Investment in or to any Person, or permit any of its Subsidiaries to do so, other than Permitted Investments.

Notwithstanding the foregoing, and for the avoidance of doubt, this Section 7.6 shall not prohibit the conversion by holders of (including any payment upon conversion, whether in cash, common stock or a combination thereof), or required payment of any principal or premium on (including, for the avoidance of doubt, in respect of a required repurchase in connection with the redemption of Permitted Convertible Debt upon satisfaction of a condition related to the stock price of the Common Stock) or required payment of any interest with respect to, any Permitted Convertible Debt in each case, in accordance with the terms of the indenture governing such Permitted Convertible Debt; provided that principal payments in cash (other than cash in lieu of fractional shares) shall only be allowed if the Redemption Conditions are satisfied in respect of such payment and at all times after such payment; provided further that, to the extent both (a) the aggregate amount of cash payable upon conversion or payment of any Permitted Convertible Debt (excluding any required payment of interest with respect to such Permitted Convertible Debt and excluding any payment of cash in lieu of a fractional share due upon conversion thereof) exceeds the aggregate principal amount thereof and (b) such conversion or payment does not trigger or correspond to an exercise or early unwind or settlement of a corresponding portion of the Permitted Bond Hedge Transactions relating to such Permitted Convertible Debt (including, for the avoidance of doubt, the case where there is no Permitted Bond Hedge Transaction relating to such Permitted Convertible Debt), the payment of such excess cash shall not be permitted by the preceding sentence.

Notwithstanding the foregoing, Borrower may repurchase, exchange or induce the conversion of Permitted Convertible Debt by delivery of shares of Common Stock and/or a different series of Permitted Convertible Debt and/or by payment of cash (in an amount that does not exceed the proceeds received by Borrower from the substantially concurrent issuance of shares of Common Stock and/or Permitted Convertible Debt plus the net cash proceeds, if any, received by Borrower pursuant to the related exercise or early unwind or termination of the related Permitted Bond Hedge Transactions and Permitted Warrant Transactions, if any, pursuant to the immediately following proviso); provided that, substantially concurrently with, or a commercially reasonable period of time before or after, the related settlement date for the Permitted Convertible Debt that is so repurchased, exchanged or converted, Borrower shall exercise or unwind or terminate early (whether in cash, shares or any combination thereof) the portion of the Permitted Bond Hedge Transactions and Permitted Warrant Transactions, if any, corresponding to such Permitted Convertible Debt that are so repurchased, exchanged or converted.

7.6 Distributions. Borrower shall not, and shall not allow any Subsidiary to, (a) repurchase or redeem any class of stock or other Equity Interest other than pursuant to employee, director or consultant repurchase plans or other similar agreements, provided, however, in each case the repurchase or redemption price does not exceed the original consideration paid for such stock or Equity Interest, or (b) declare or pay any cash dividend or make any other cash distribution on any class of stock or other Equity Interest, except that a Subsidiary may pay dividends or make other distributions to Borrower or any Subsidiary of Borrower, or (c) lend money to any employees, officers or directors or guarantee the payment of any such loans granted by a third party in excess of $100,000 in the aggregate or (d) waive, release or forgive any Indebtedness owed by any employees, officers or directors in excess of $100,000 in the aggregate.

Notwithstanding the foregoing, and for the avoidance of doubt, this Section 7.7 shall not prohibit the issuance of, performance of, obligations under (including any payments of interest), and

conversion, exercise, repurchase, redemption by holders of (including any payment upon conversion, whether in cash, common stock or a combination thereof), or required payment of any principal or premium on (including, for the avoidance of doubt, in respect of a required repurchase in connection with the redemption of Permitted Convertible Debt upon satisfaction of a condition related to the stock price of the Common Stock) or required payment of any interest with respect to, any Permitted Convertible Debt in each case, in accordance with the terms of the indenture governing such Permitted Convertible Debt; provided that principal payments in cash (other than cash in lieu of fractional shares) shall only be allowed if the Redemption Conditions are satisfied in respect of such payment and at all times after such payment; provided further that, to the extent both (a) the aggregate amount of cash payable upon conversion or payment of any Permitted Convertible Debt (excluding any required payment of interest with respect to such Permitted Convertible Debt and excluding any payment of cash in lieu of a fractional share due upon conversion thereof) exceeds the aggregate principal amount thereof and (b) such conversion or payment does not trigger or correspond to an exercise or early unwind or settlement of a corresponding portion of the Permitted Bond Hedge Transactions relating to such Permitted Convertible Debt (including, for the avoidance of doubt, the case where there is no Permitted Bond Hedge Transaction relating to such Permitted Convertible Debt), the payment of such excess cash shall not be permitted by the preceding sentence.

Notwithstanding the foregoing, Borrower may repurchase, exchange or induce the conversion of Permitted Convertible Debt by delivery of shares of Common Stock and/or a different series of Permitted Convertible Debt and/or by payment of cash (in an amount that does not exceed the proceeds received by Borrower from the substantially concurrent issuance of shares of Common Stock and/or Permitted Convertible Debt plus the net cash proceeds, if any, received by Borrower pursuant to the related exercise or early unwind or termination of the related Permitted Bond Hedge Transactions and Permitted Warrant Transactions, if any, pursuant to the immediately following proviso); provided that, substantially concurrently with, or a commercially reasonable period of time before or after, the related settlement date for the Permitted Convertible Debt that is so repurchased, exchanged or converted, Borrower shall exercise or unwind or terminate early (whether in cash, shares or any combination thereof) the portion of the Permitted Bond Hedge Transactions and Permitted Warrant Transactions, if any, corresponding to such Permitted Convertible Debt that are so repurchased, exchanged or converted.

7.7 Transfers. Except for Permitted Transfers, Borrower shall not, and shall not allow any Subsidiary to, voluntarily or involuntarily transfer, sell, lease, license, lend or in any other manner convey any equitable, beneficial or legal interest in any material portion of its assets.

7.8 Mergers and Consolidations. Borrower shall not merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with or into any other business organization (other than mergers or consolidations of (a) a Subsidiary (or the target of any Permitted Acquisition) which is not a Borrower into another Subsidiary or into Borrower or (b) a Borrower into another Borrower).

7.9 Taxes. Borrower shall, and shall cause each of its Subsidiaries to, pay when due all material Taxes of any nature whatsoever now or hereafter imposed or assessed against Borrower or the Collateral or upon Borrower's ownership, possession, use, operation or disposition thereof or upon Borrower's rents, receipts or earnings arising therefrom. Borrower shall, and shall cause each of its Subsidiaries to, accurately file on or before the due date therefor (taking into account proper extensions) all federal and state income Tax returns and other material Tax returns required to be filed. Notwithstanding the foregoing, Borrower and its Subsidiaries

may contest, in good faith and by appropriate proceedings diligently conducted, Taxes for which Borrower and its Subsidiaries maintain adequate reserves in accordance with GAAP.

7.10 Corporate Changes. Neither Borrower nor any Subsidiary shall change its corporate name, legal form or jurisdiction of formation without twenty (20) days' (or such shorter period as Agent may agree) prior written notice to Agent. Neither Borrower nor any Subsidiary shall suffer a Change in Control. Neither Borrower nor any Subsidiary shall relocate its chief executive office or its principal place of business unless: (i) it has provided prior written notice to Agent; and (ii) such relocation shall be within the continental United States of America. Neither Borrower nor any Subsidiary shall relocate any item of Collateral (other than (w) Permitted Transfers, (x) sales of Inventory in the ordinary course of business, (y) relocations of Equipment having an aggregate value of up to $150,000 in any fiscal year, and (z) relocations of Collateral from a location described on Exhibit B to another location described on Exhibit B) unless (i) it has provided prompt written notice to Agent, (ii) such relocation is within the continental United States of America and, (iii) if such relocation is to a third party bailee, it has used commercially reasonable efforts to deliver a bailee agreement in form and substance reasonably acceptable to Agent.

7.11 Deposit Accounts. Neither Borrower nor any Subsidiary shall maintain any Deposit Accounts, or accounts holding Investment Property, except with respect to which Agent has an Account Control Agreement; provided that no Account Control Agreement shall be required for any Excluded Account.

7.12 Borrower shall notify Agent of each Subsidiary formed subsequent to the Closing Date and, within 20 days of formation, shall cause any such Subsidiary to execute and deliver to Agent a Joinder Agreement.

7.13 [RESERVED]

7.14 Notification of Event of Default. Borrower shall notify Agent immediately of the occurrence of any Event of Default.

7.15 [RESERVED]

7.16 Use of Proceeds. Borrower agrees that the proceeds of the Loans shall be used solely to pay related fees and expenses in connection with this Agreement and for working capital and general corporate purposes. The proceeds of the Loans will not be used in violation of Anti-Corruption Laws or applicable Sanctions.

7.17 [RESERVED]

7.18 Compliance with Laws.

Borrower shall maintain, and shall cause its Subsidiaries to maintain, compliance in all material respects with all applicable laws, rules or regulations (including any law, rule or regulation with respect to the making or brokering of loans or financial accommodations), and shall, or cause its Subsidiaries to, obtain and maintain all required material governmental authorizations, approvals, licenses, franchises, permits or registrations reasonably necessary in connection with the conduct of Borrower's business.

Neither Borrower nor any of its Subsidiaries shall, nor shall Borrower or any of its Subsidiaries permit any officer, director or agent to, directly or indirectly, knowingly enter into any documents, instruments, agreements or contracts with any Person listed on the OFAC Lists. Neither Borrower nor any of its Subsidiaries shall, nor shall Borrower or any of its Subsidiaries, permit any Affiliate to, directly or indirectly, (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including, without limitation, the making or receiving of any contribution of funds, goods or services to or for the benefit of any Blocked Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224 or any similar executive order or other Anti-Terrorism Law, or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in Executive Order No. 13224 or other Anti-Terrorism Law.

Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and Borrower, its Subsidiaries and their respective officers and employees and to the knowledge of Borrower its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects.

None of Borrower, any of its Subsidiaries or any of their respective directors, officers or employees, or to the knowledge of Borrower, any agent for Borrower or its Subsidiaries that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Loan, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

7.19 Financial Covenants.

(a) Minimum Cash.

(i) If Borrower fails to achieve the Performance Milestone by June 30, 2021, at all times on and after July 1, 2021 through the date that Borrower achieves the Performance Milestone, Borrower shall maintain Qualified Cash in an amount greater than or equal to the sum of Twenty Million and No/100 Dollars ($20,000,000) *plus* the Qualified Cash A/P Amount, and

(ii) If Borrower makes a cash payment in respect of Permitted Convertible Debt subject to satisfaction of the Redemption Conditions, Borrower shall, at all times thereafter, maintain Qualified Cash in the amount required by the defined term “Redemption Conditions”.

(b) Performance Covenant. If Borrower achieves the Performance Milestone and Borrower draws any Advance (other than a Tranche 1 Advance), Borrower shall, from the later to occur of (a) the date of such Advance and (b) ninety (90) days following Borrower’s achievement of the Performance Milestone, Borrower shall satisfy either of (i) Performance Covenant A or Performance Covenant B, tested at all times, or (ii) Performance Covenant C, tested monthly.

7.20 Intellectual Property. The Borrower shall (i) protect, defend and maintain the validity and enforceability of its Intellectual Property; (ii) promptly advise Agent in writing of material infringements of its Intellectual Property; and (iii) not allow any Intellectual Property material to Borrower’s business to be abandoned, forfeited or dedicated to the public without

Agent's written consent. If a Borrower decides to register any Copyrights or mask works in the United States Copyright Office, such Borrower shall: (x) provide Agent with at least fifteen (15) days prior written notice of such Borrower's intent to register such Copyrights or mask works together with a copy of the application it intends to file with the United States Copyright Office (excluding exhibits thereto); (y) execute an intellectual property security agreement and such other documents and take such other actions as Agent may request in its good faith business judgment to perfect and maintain a first priority perfected security interest in favor of Agent in the Copyrights or mask works intended to be registered with the United States Copyright Office; and (z) record such intellectual property security agreement with the United States Copyright Office contemporaneously with filing the Copyright or mask work application(s) with the United States Copyright Office. Borrower shall, together with the delivery of the Compliance Certificate referred to in Section 7.01(d), provide to Agent (x) copies of all applications that it files for Patents or for the registration of Trademarks, or (y) evidence that it has acquired any registered Trademarks, in each case, together with evidence of the recording of the intellectual property security agreement required for Agent to perfect and maintain a first priority perfected security interest in such property. Borrower shall, together with the delivery of the Compliance Certificate referred to in Section 7.01(d), provide written notice to Agent of entering into or becoming bound by any Restricted License (other than over-the-counter software that is commercially available to the public). Borrower shall take such steps as Agent requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (1) any Restricted License to be deemed "Collateral" and for Agent to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (2) Agent to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Agent's rights and remedies under this Agreement and the other Loan Documents.

7.21 Transactions with Affiliates. Except as set forth on Schedule 7.22, Borrower shall not and shall not permit any Subsidiary to, directly or indirectly, enter into or permit to exist any transaction of any kind involving payments or consideration in excess of $10,000 with any Affiliate of Borrower or such Subsidiary on terms that are less favorable to Borrower or such Subsidiary, as the case may be, than those that might be obtained in an arm's length transaction from a Person who is not an Affiliate of Borrower or such Subsidiary.

7.22 Post-Closing Obligations. Notwithstanding any provision herein or in any other Loan Document to the contrary, to the extent not actually delivered on or prior to the Closing Date, Borrower shall:

(a) deliver to Agent (or its designated agent), within fifteen (15) days of the Closing Date (or such later date as Agent may determine in its sole discretion), executed Account Control Agreements (i) among Borrower, Agent and DST Asset Manager Solutions, Inc. and (ii) among Borrower, Agent and Truist Bank (it being understood and agreed that the proceeds of the Loans shall not be transferred into any bank account that is not subject to an Account Control Agreement during such period); and

(b) use commercially reasonable efforts to deliver to Agent (or its designated agent), within thirty (30) days of the Closing Date (or such later date as Agent may determine in its sole discretion), an executed bailee waiver, in form and substance satisfactory to Agent in its sole discretion, for 5900 Martin Luther King Jr. Highway, Greenville, NC, Pitt County, 27834.

SECTION 8. RIGHT TO INVEST

8.1 The Lenders or their assignees or nominees shall have the right, in their discretion, to participate in any Subsequent Financing in an amount of up to Two Million and No/100 Dollars ($2,000,000) on the same timing, terms, conditions and pricing afforded to others participating in any such Subsequent Financing.

SECTION 9. EVENTS OF DEFAULT

The occurrence of any one or more of the following events shall be an Event of Default:

9.1 Payments. Borrower fails to pay any amount due under this Agreement or any of the other Loan Documents on the due date; provided, however, that an Event of Default shall not occur on account of a failure to pay due solely to an administrative or operational error of Agent or the Lenders or Borrower's bank if Borrower had the funds to make the payment when due and makes the payment within three (3) Business Days following Borrower's knowledge of such failure to pay; or

9.2 Covenants. Borrower breaches or defaults in the performance of any covenant or Secured Obligation under this Agreement, or any of the other Loan Documents or any other agreement among Borrower, Agent and the Lenders, and (a) with respect to a default under any covenant under this Agreement (other than under Sections 6, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 7.15, 7.17, 7.19, 7.20 7.21, 7.22, and 7.23), any other Loan Document, or any other agreement among Borrower, Agent and the Lenders, such default continues for more than fifteen (15) days after the earlier of the date on which (i) Agent or the Lenders has given notice of such default to Borrower and (ii) Borrower has actual knowledge of such default or (b) with respect to a default under any of Sections 6, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 7.15, 7.17, 7.19, 7.20, 7.21, 7.22, and 7.23 the occurrence of such default; or

9.3 Material Adverse Effect. A circumstance has occurred that could reasonably be expected to have a Material Adverse Effect or a "change of control", "fundamental change", "make-whole fundamental change" or any comparable term under and as defined in any indenture governing any Permitted Convertible Debt has occurred; provided that solely for purposes of this Section 9.3, the failure to achieve the Performance Milestone, in and of itself, shall not constitute a Material Adverse Effect; or

9.4 Representations. Any representation or warranty made by Borrower in any Loan Document shall have been false or misleading in any material respect when made or when deemed made; or

9.5 Insolvency. Borrower (A) (i) shall make an assignment for the benefit of creditors; or (ii) shall be unable to pay its debts as they become due, or be unable to pay or perform under the Loan Documents, or shall become insolvent; or (iii) shall file a voluntary petition in bankruptcy; or (iv) shall file any petition, answer, or document seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation pertinent to such circumstances; or (v) shall seek or consent to or acquiesce in the appointment of any trustee, receiver, or liquidator of Borrower or of all or any substantial part (i.e., 33 1/3% or more) of the assets or property of Borrower; or (vi) shall cease operations of its business as its business has normally been conducted, or terminate substantially all of its employees; or (vii) Borrower or its directors or majority shareholders shall take any action initiating any of the foregoing actions described in

clauses (i) through (vi); or (B) either (i) thirty (30) days shall have expired after the commencement of an involuntary action against Borrower seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, without such action being dismissed or all orders or proceedings thereunder affecting the operations or the business of Borrower being stayed; or (ii) a stay of any such order or proceedings shall thereafter be set aside and the action setting it aside shall not be timely appealed; or (iii) Borrower shall file any answer admitting or not contesting the material allegations of a petition filed against Borrower in any such proceedings; or (iv) the court in which such proceedings are pending shall enter a decree or order granting the relief sought in any such proceedings; or (v) thirty (30) days shall have expired after the appointment, without the consent or acquiescence of Borrower, of any trustee, receiver or liquidator of Borrower or of all or any substantial part of the properties of Borrower without such appointment being vacated; or

9.6 Attachments; Judgments. Any portion of Borrower's assets is attached or seized, or a levy is filed against any such assets, or a judgment or judgments is/are entered for the payment of money (not covered by independent third party insurance as to which liability has not been rejected by such insurance carrier), individually or in the aggregate, of at least $250,000, or Borrower is enjoined or in any way prevented by court order from conducting any part of its business; or

9.7 Other Obligations. The occurrence of any default under any agreement or obligation of Borrower involving any Indebtedness in excess of $250,000, or any other material agreement or obligation or any early payment is required or unwinding or termination occurs with respect to any Permitted Bond Hedge Transaction or Permitted Warrant Transaction, or any condition giving rise to the foregoing is met, in each case, with respect to which Borrower or its Affiliate is the "affected party" or "defaulting party" under the terms of such Permitted Bond Hedge Transaction or Permitted Warrant Transaction, if a Material Adverse Effect could reasonably be expected to result from such default, early payment, unwinding or termination.

9.8 Stop Trade. At any time, an SEC stop trade order or NASDAQ market trading suspension of Borrower's Common Stock shall be in effect for five (5) consecutive days or five (5) days during a period of ten (10) consecutive days, excluding in all cases a suspension of all trading on a public market, provided that Borrower shall not have been able to cure such trading suspension within thirty (30) days of the notice thereof or list the Common Stock on another public market within sixty (60) days of such notice.

SECTION 10. REMEDIES

10.1 General. Upon the occurrence and during the continuance of any one or more Events of Default, Agent may, and at the direction of the Required Lenders shall, accelerate and demand payment of all or any part of the Secured Obligations together with a Prepayment Charge and declare them to be immediately due and payable (provided, that upon the occurrence of an Event of Default of the type described in Section 9.5, all of the Secured Obligations (including, without limitation, the Prepayment Charge and the End of Term Charge) shall automatically be accelerated and made due and payable, in each case without any further notice or act). Borrower hereby irrevocably appoints Agent as its lawful attorney-in-fact to: exercisable during the existence of an Event of Default, (i) sign Borrower's name on any invoice or bill of lading for any account or drafts against account debtors; (ii) demand, collect, sue, and give releases to any account debtor for monies due, settle and adjust disputes and claims about the accounts directly with account debtors, and compromise, prosecute, or defend any action, claim, case, or proceeding about any Collateral (including filing a claim or voting a claim in any bankruptcy case in Agent's

or Borrower's name, as Agent may elect); (iii) make, settle, and adjust all claims under Borrower's insurance policies; (iv) pay, contest or settle any Lien, charge, encumbrance, security interest, or other claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; (v) transfer the Collateral into the name of Agent or a third party as the UCC permits; (vi) receive, open and dispose of mail addressed to Borrower; (vii) endorse Borrower's name on any checks, payment instruments, or other forms of payment or security; and (viii) notify all account debtors to pay Agent directly. Borrower hereby appoints Agent as its lawful attorney-in-fact to sign Borrower's name on any documents necessary to perfect or continue the perfection of Agent's security interest in the Collateral regardless of whether an Event of Default has occurred until all Secured Obligations have been satisfied in full and the Loan Documents have been terminated. Agent's foregoing appointment as Borrower's attorney in fact, and all of Agent's rights and powers, coupled with an interest, are irrevocable until all Secured Obligations have been fully repaid and performed and the Loan Documents have been terminated. Agent may, and at the direction of the Required Lenders shall, exercise all rights and remedies with respect to the Collateral under the Loan Documents or otherwise available to it under the UCC and other applicable law, including the right to release, hold, sell, lease, liquidate, collect, realize upon, or otherwise dispose of all or any part of the Collateral and the right to occupy, utilize, process and commingle the Collateral. All Agent's rights and remedies shall be cumulative and not exclusive.

10.2 Collection; Foreclosure. Upon the occurrence and during the continuance of any Event of Default, Agent may, and at the direction of the Required Lenders shall, at any time or from time to time, apply, collect, liquidate, sell in one or more sales, lease or otherwise dispose of, any or all of the Collateral, in its then condition or following any commercially reasonable preparation or processing, in such order as Agent may elect. Any such sale may be made either at public or private sale at its place of business or elsewhere. Borrower agrees that any such public or private sale may occur upon ten (10) calendar days' prior written notice to Borrower. Upon the occurrence and during the continuance of any Event of Default, Agent may require Borrower to assemble the Collateral and make it available to Agent at a place designated by Agent that is reasonably convenient to Agent and Borrower. The proceeds of any sale, disposition or other realization upon all or any part of the Collateral shall be applied by Agent in the following order of priorities:

First, to Agent and the Lenders in an amount sufficient to pay in full Agent's and the Lenders' reasonable costs and professionals' and advisors' fees and expenses as described in Section 11.12;

Second, to the Lenders in an amount equal to the then unpaid amount of the Secured Obligations (including principal, interest, and the Default Rate interest), in such order and priority as Agent may choose in its sole discretion; and

Finally, after the full and final payment in Cash of all of the Secured Obligations (other than inchoate obligations), to any creditor holding a junior Lien on the Collateral, or to Borrower or its representatives or as a court of competent jurisdiction may direct.

Agent shall be deemed to have acted reasonably in the custody, preservation and disposition of any of the Collateral if it complies with the obligations of a secured party under the UCC.

10.3 No Waiver. Agent shall be under no obligation to marshal any of the Collateral for the benefit of Borrower or any other Person, and Borrower expressly waives all rights, if any, to require Agent to marshal any Collateral.

10.4 Cumulative Remedies. The rights, powers and remedies of Agent hereunder shall be in addition to all rights, powers and remedies given by statute or rule of law and are cumulative. The exercise of any one or more of the rights, powers and remedies provided herein shall not be construed as a waiver of or election of remedies with respect to any other rights, powers and remedies of Agent.

SECTION 11. MISCELLANEOUS

11.1 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent and duration of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

11.2 Notice. Except as otherwise provided herein, any notice, demand, request, consent, approval, declaration, service of process or other communication (including the delivery of Financial Statements) that is required, contemplated, or permitted under the Loan Documents or with respect to the subject matter hereof shall be in writing, and shall be deemed to have been validly served, given, delivered, and received upon the earlier of: (i) the day of transmission by electronic mail or hand delivery or delivery by an overnight express service or overnight mail delivery service; or (ii) the third calendar day after deposit in the United States of America mails, with proper first class postage prepaid, in each case addressed to the party to be notified as follows:

(a) If to Agent:

HERCULES CAPITAL, INC.
Legal Department
Attention: Chief Legal Officer and [* * *]
400 Hamilton Avenue, Suite 310
Palo Alto, CA 94301
email: [* * *]
Telephone: [* * *]

(b) If to the Lenders:

HERCULES CAPITAL, INC.
Legal Department
Attention: Chief Legal Officer and [* * *]
400 Hamilton Avenue, Suite 310
Palo Alto, CA 94301
email: [* * *]
Telephone: [* * *]

(c) If to Borrower:

G1 THERAPEUTICS, INC.
700 Park Offices Drive, Suite 200
Research Triangle Part, NC 27709

Attention: [* * *]
email: [* * *]
Telephone: [* * *]

with a copy (which shall not constitute notice) to:

Ropes & Gray LLP
800 Boylston Street
Boston, MA 02199
Attention: [* * *]
email: [* * *]
Telephone: [* * *]

or to such other address as each party may designate for itself by like notice.

11.3 Entire Agreement; Amendments.

(a) This Agreement and the other Loan Documents constitute the entire agreement and understanding of the parties hereto in respect of the subject matter hereof and thereof, and supersede and replace in their entirety any prior proposals, term sheets, non-disclosure or confidentiality agreements, letters, negotiations or other documents or agreements, whether written or oral, with respect to the subject matter hereof or thereof (including Agent's revised proposal letter dated May 2, 2020 and the Non-Disclosure Agreement).

Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 11.3(b). The Required Lenders and Borrower party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Agent and the Borrower party to the relevant Loan Document may, from time to time, (i) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Borrower hereunder or thereunder or (ii) waive, on such terms and conditions as the Required Lenders or the Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (A) forgive the principal amount or extend the final scheduled date of maturity of any Loan, extend the scheduled date of any amortization payment in respect of any Loan, reduce the stated rate of any interest or fee payable hereunder) or extend the scheduled date of any payment thereof, in each case without the written consent of each Lender directly affected thereby; (B) eliminate or reduce the voting rights of any Lender under this Section 11.3(b) without the written consent of such Lender; (C) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, release all or substantially all of the Collateral or release a Borrower from its obligations under the Loan Documents, in each case without the written consent of all Lenders; or (D) amend, modify or waive any provision of Section 11.18 or Addendum 3 without the written consent of the Agent. Any such waiver and any such amendment, supplement or modification shall apply equally to each Lender and shall be binding upon Borrower, the Lenders, the Agent and all future holders of the Loans.

11.4 No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or

interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

11.5 No Waiver. The powers conferred upon Agent and the Lenders by this Agreement are solely to protect its rights hereunder and under the other Loan Documents and its interest in the Collateral and shall not impose any duty upon Agent or the Lenders to exercise any such powers. No omission or delay by Agent or the Lenders at any time to enforce any right or remedy reserved to it, or to require performance of any of the terms, covenants or provisions hereof by Borrower at any time designated, shall be a waiver of any such right or remedy to which Agent or the Lenders is entitled, nor shall it in any way affect the right of Agent or the Lenders to enforce such provisions thereafter.

11.6 Survival. All agreements, representations and warranties contained in this Agreement and the other Loan Documents or in any document delivered pursuant hereto or thereto shall be for the benefit of Agent and the Lenders and shall survive the execution and delivery of this Agreement. Sections 6.3, 11.14, 11.15 and 11.17 shall survive the termination of this Agreement, and Section 11.13 shall survive until the later of (i) two years after Borrower's latest delivery to Agent of material non-public information and (ii) the termination of this Agreement.

11.7 Successors and Assigns. The provisions of this Agreement and the other Loan Documents shall inure to the benefit of and be binding on Borrower and its permitted assigns (if any). Borrower shall not assign its obligations under this Agreement or any of the other Loan Documents without Agent's express prior written consent, and any such attempted assignment shall be void and of no effect. Agent and the Lenders may assign, transfer, or endorse its rights hereunder and under the other Loan Documents without prior notice to Borrower, and all of such rights shall inure to the benefit of Agent's and the Lenders' successors and assigns; provided that as long as no Event of Default has occurred and is continuing, neither Agent nor any Lender may assign, transfer or endorse its rights hereunder or under the Loan Documents to any party that is a direct competitor of Borrower (as identified by Borrower from time to time to Agent), it being acknowledged that in all cases, any transfer to an Affiliate of any Lender or Agent shall be allowed. Notwithstanding the foregoing, (x) in connection with any assignment by a Lender as a result of a forced divestiture at the request of any regulatory agency, the restrictions set forth herein shall not apply and Agent and the Lenders may assign, transfer or indorse its rights hereunder and under the other Loan Documents to any Person or party and (y) in connection with a Lender's own financing or securitization transactions, the restrictions set forth herein shall not apply and Agent and the Lenders may assign, transfer or indorse its rights hereunder and under the other Loan Documents to any Person or party providing such financing or formed to undertake such securitization transaction and any transferee of such Person or party upon the occurrence of a default, event of default or similar occurrence with respect to such financing or securitization transaction; provided that no such sale, transfer, pledge or assignment under this clause (y) shall release such Lender from any of its obligations hereunder or substitute any such Person or party for such Lender as a party hereto until Agent shall have received and accepted an effective assignment agreement from such Person or party in form satisfactory to Agent executed, delivered and fully completed by the applicable parties thereto, and shall have received such other information regarding such assignee as Agent reasonably shall require. The Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in the United States a register for the recordation of the names and addresses of the Lender(s), and the Term Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Agent and the Lender(s) shall treat each

Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice. The parties intend that any interest in or with respect to the Loans under this Agreement be treated as being issued and maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2), and 881(c)(2) of the Code and any regulations thereunder (and any successor provisions), including without limitation under United States Treasury Regulations Section 5f.103-1(c) and Proposed Regulations Section 1.163-5 (and any successor provisions), and the provisions of this Agreement shall be construed in a manner that gives effect to such intent.

11.8 Participations. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans, its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under the Code and United States Treasury Regulations, including without limitation under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register. Borrower agrees that each participant shall be entitled to the benefits of the provisions in Addendum 1 attached hereto (subject to the requirements and limitations therein, including the requirements under Section 7 of Addendum 1 attached hereto (it being understood that the documentation required under Section 7 of Addendum 1 attached hereto shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 11.7; provided that such participant shall not be entitled to receive any greater payment under Addendum 1 attached hereto, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in law that occurs after the participant acquired the applicable participation.

11.9 Governing Law. This Agreement and the other Loan Documents have been negotiated and delivered to Agent and the Lenders in the State of California, and shall have been accepted by Agent and the Lenders in the State of California. Payment to Agent and the Lenders by Borrower of the Secured Obligations is due in the State of California. This Agreement and the other Loan Documents shall be governed by, and construed and enforced in accordance with, the laws of the State of California, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

11.10 Consent to Jurisdiction and Venue. All judicial proceedings (to the extent that the reference requirement of Section 11.11 is not applicable) arising in or under or related to this Agreement or any of the other Loan Documents may be brought in any state or federal court located in the State of California. By execution and delivery of this Agreement, each party hereto generally and unconditionally: (a) consents to nonexclusive personal jurisdiction in Santa Clara County, State of California; (b) waives any objection as to jurisdiction or venue in Santa Clara County, State of California; (c) agrees not to assert any defense based on lack of jurisdiction or venue in the aforesaid courts; and (d) irrevocably agrees to be bound by any judgment rendered

thereby in connection with this Agreement or the other Loan Documents. Service of process on any party hereto in any action arising out of or relating to this Agreement shall be effective if given in accordance with the requirements for notice set forth in Section 11.2, and shall be deemed effective and received as set forth in Section 11.2. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of either party to bring proceedings in the courts of any other jurisdiction.

11.11 Mutual Waiver of Jury Trial / Judicial Reference.

(a) Because disputes arising in connection with complex financial transactions are most quickly and economically resolved by an experienced and expert Person and the parties wish applicable state and federal laws to apply (rather than arbitration rules), the parties desire that their disputes be resolved by a judge applying such applicable laws. EACH OF BORROWER, AGENT AND THE LENDERS SPECIFICALLY WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, CROSS-CLAIM, COUNTERCLAIM, THIRD PARTY CLAIM OR ANY OTHER CLAIM (COLLECTIVELY, "CLAIMS") ASSERTED BY BORROWER AGAINST AGENT, THE LENDERS OR THEIR RESPECTIVE ASSIGNEE OR BY AGENT, THE LENDERS OR THEIR RESPECTIVE ASSIGNEE AGAINST BORROWER. This waiver extends to all such Claims, including Claims that involve Persons other than Agent, Borrower and the Lenders; Claims that arise out of or are in any way connected to the relationship among Borrower, Agent and the Lenders; and any Claims for damages, breach of contract, tort, specific performance, or any equitable or legal relief of any kind, arising out of this Agreement, any other Loan Document.

(b) If the waiver of jury trial set forth in Section 11.11(a) is ineffective or unenforceable, the parties agree that all Claims shall be resolved by reference to a private judge sitting without a jury, pursuant to Code of Civil Procedure Section 638, before a mutually acceptable referee or, if the parties cannot agree, a referee selected by the Presiding Judge of the Santa Clara County, California. Such proceeding shall be conducted in Santa Clara County, California, with California rules of evidence and discovery applicable to such proceeding.

(c) In the event Claims are to be resolved by judicial reference, either party may seek from a court identified in Section 11.10, any prejudgment order, writ or other relief and have such prejudgment order, writ or other relief enforced to the fullest extent permitted by law notwithstanding that all Claims are otherwise subject to resolution by judicial reference.

11.12 Professional Fees. Borrower promises to pay Agent's and the Lenders' reasonable and invoiced fees and expenses necessary to finalize the loan documentation, including but not limited to reasonable attorneys' fees, UCC searches, filing costs, and other miscellaneous expenses. In addition, Borrower promises to pay any and all reasonable attorneys' and other professionals' fees and expenses incurred by Agent and the Lenders after the Closing Date in connection with or related to: (a) the Loan; (b) the administration, collection, or enforcement of the Loan; (c) the amendment or modification of the Loan Documents; (d) any waiver, consent, release, or termination under the Loan Documents; (e) the protection, preservation, audit, field exam, sale, lease, liquidation, or disposition of Collateral or the exercise of remedies with respect to the Collateral; (f) any legal, litigation, administrative, arbitration, or out of court proceeding in connection with or related to Borrower or the Collateral, and any appeal or review thereof; and (g) any bankruptcy, restructuring, reorganization, assignment for the benefit of creditors, workout, foreclosure, or other action related to Borrower, the Collateral, the Loan Documents, including representing Agent or the Lenders in any adversary proceeding or contested matter commenced or continued by or on behalf of Borrower's estate, and any appeal or review thereof.

11.13 Confidentiality. Agent and the Lenders acknowledge that the information provided to Agent and the Lenders by Borrower is confidential and proprietary information of Borrower (the "Confidential Information"). Accordingly, Agent and the Lenders agree that any Confidential Information it may obtain in the course of acquiring, administering, or perfecting Agent's security interest in the Collateral shall not be disclosed to any other Person or entity in any manner whatsoever, in whole or in part, without the prior written consent of Borrower, except that Agent and the Lenders may disclose any such information: (a) to its Affiliates and its partners, investors, lenders, directors, officers, employees, agents, advisors, counsel, accountants, counsel, representative and other professional advisors if Agent or the Lenders in their sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information; (b) if such information is generally available to the public or to the extent such information becomes publicly available other than as a result of a breach of this Section or becomes available to Agent or any Lender, or any of their respective Affiliates on a non-confidential basis from a source other than the Borrower; (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over Agent or the Lenders and any rating agency; (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Agent's or the Lenders' counsel; (e) to comply with any legal requirement or law applicable to Agent or the Lenders or demanded by any governmental authority; (f) to the extent reasonably necessary in connection with the exercise of, or preparing to exercise, or the enforcement of, or preparing to enforce, any right or remedy under any Loan Document (including Agent's sale, lease, or other disposition of Collateral after default), or any action or proceeding relating to any Loan Document; (g) to any participant or assignee of Agent or the Lenders or any prospective participant or assignee, provided, that such participant or assignee or prospective participant or assignee is subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information; (h) otherwise to the extent consisting of general portfolio information that does not identify Borrower; or (i) otherwise with the prior consent of Borrower; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of Borrower or any of its Affiliates or any guarantor under this Agreement or the other Loan Documents. Agent's and the Lenders' obligations under this Section 11.13 shall supersede all of their respective obligations under the Non-Disclosure Agreement.

11.14 Assignment of Rights. Borrower acknowledges and understands that Agent or the Lenders may, subject to Section 11.7, sell and assign all or part of its interest hereunder and under the Loan Documents to any Person or entity (an "Assignee"). After such assignment the term "Agent" or "Lender" as used in the Loan Documents shall mean and include such Assignee, and such Assignee shall be vested with all rights, powers and remedies of Agent and the Lenders hereunder with respect to the interest so assigned; but with respect to any such interest not so transferred, Agent and the Lenders shall retain all rights, powers and remedies hereby given. No such assignment by Agent or the Lenders shall relieve Borrower of any of its obligations hereunder. Each Lender agrees that in the event of any transfer by it of the promissory note(s) (if any), it will endorse thereon a notation as to the portion of the principal of the promissory note(s), which shall have been paid at the time of such transfer and as to the date to which interest shall have been last paid thereon.

11.15 Revival of Secured Obligations. This Agreement and the Loan Documents shall remain in full force and effect and continue to be effective if any petition is filed by or against Borrower for liquidation or reorganization, if Borrower becomes insolvent or makes an assignment

for the benefit of creditors, if a receiver or trustee is appointed for all or any significant part of Borrower's assets, or if any payment or transfer of Collateral is recovered from Agent or the Lenders. The Loan Documents and the Secured Obligations and Collateral security shall continue to be effective, or shall be revived or reinstated, as the case may be, if at any time payment and performance of the Secured Obligations or any transfer of Collateral to Agent, or any part thereof is rescinded, avoided or avoidable, reduced in amount, or must otherwise be restored or returned by, or is recovered from, Agent, the Lenders or by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment, performance, or transfer of Collateral had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, avoided, avoidable, restored, returned, or recovered, the Loan Documents and the Secured Obligations shall be deemed, without any further action or documentation, to have been revived and reinstated except to the extent of the full, final, and indefeasible payment to Agent or the Lenders in Cash.

11.16 Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so delivered shall be deemed an original, but all of which counterparts shall constitute but one and the same instrument.

11.17 No Third Party Beneficiaries. No provisions of the Loan Documents are intended, nor will be interpreted, to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than Agent, the Lenders and Borrower unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions of the Loan Documents will be personal and solely among Agent, the Lenders and the Borrower.

11.18 Agency. Agent and each Lender hereby agree to the terms and conditions set forth on Addendum 3 attached hereto. Borrower acknowledges and agrees to the terms and conditions set forth on Addendum 3 attached hereto.

11.19 Publicity. None of the parties hereto nor any of its respective member businesses and Affiliates shall, without the other parties' prior written consent (which shall not be unreasonably withheld or delayed), publicize or use (a) the other party's name (including a brief description of the relationship among the parties hereto), logo or hyperlink to such other parties' web site, separately or together, in written and oral presentations, advertising, promotional and marketing materials, client lists, public relations materials or on its web site (together, the "Publicity Materials"); (b) the names of officers of such other parties in the Publicity Materials; and (c) such other parties' name, trademarks, servicemarks in any news or press release concerning such party; provided however, notwithstanding anything to the contrary herein, no such consent shall be required (i) to the extent necessary to comply with the requests of any regulators, legal requirements or laws applicable to such party, pursuant to any listing agreement with any national securities exchange (so long as such party provides prior notice to the other party hereto to the extent reasonably practicable) and (ii) to comply with Section 11.13.

11.20 [RESERVED]

11.21 Electronic Execution of Certain Other Documents. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation assignments, assumptions, amendments, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Agent, or the keeping of records in electronic

form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(SIGNATURES TO FOLLOW)

IN WITNESS WHEREOF, Borrower, Agent and the Lenders have duly executed and delivered this Loan and Security Agreement as of the day and year first above written.

BORROWER:

G1 THERAPEUTICS, INC.

Signature: */s/ Jennifer Moses*

Print Name: Jennifer Moses

Title: Chief Financial Officer

Accepted in Palo Alto, California:

AGENT:

HERCULES CAPITAL, INC.

Signature: */s/ Jennifer Choe*

Print Name: Jennifer Choe

Title: Associate General Counsel

LENDERS:

HERCULES CAPITAL, INC.

Signature: */s/ Jennifer Choe*

Print Name: Jennifer Choe

Title: Associate General Counsel

All exhibits and schedules referred to in this Agreement have been omitted. Copies of any omitted exhibit or schedule will be provided upon request.

Exhibit 10.3

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH "[***]". SUCH IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF DISCLOSED.

CO-PROMOTION AGREEMENT

by and between

G1 THERAPEUTICS, INC.

and

BOEHRINGER INGELHEIM PHARMACEUTICALS, INC.

June 29, 2020

CO-PROMOTION AGREEMENT

This Co-Promotion Agreement ("**Agreement**") is entered into and dated as of June 29, 2020 (the "**Effective Date**") by and between G1 Therapeutics, Inc., a Delaware corporation, with offices at 700 Park Offices, Research Triangle Park, NC 27709 ("**G1**"), and Boehringer Ingelheim Pharmaceuticals, Inc., a Delaware corporation, with offices at 900 Ridgebury Road, Ridgefield, CT 06877 ("**BI**"). G1 and BI are each referred to individually as a "**Party**" and together as the "**Parties**".

RECITALS

WHEREAS, G1 is a clinical-stage biopharmaceutical company, engaging in the discovery, development, and commercialization of small molecule therapeutics for the treatment of patients with cancer and owns or otherwise controls certain intellectual property rights, preclinical and clinical data and regulatory filings, and other information and know-how related to Trilaciclib (defined below), which is the subject of an NDA submission with the FDA for the prevention of chemotherapy-induced myelosuppression in small cell lung cancer (**"SCLC"**) patients with the potential for early approval and launch that may occur as early as [***];

WHEREAS, BI is a leading pharmaceutical company in the business of researching, developing, manufacturing and marketing novel treatments for human medicine, including through collaboration agreements;

WHEREAS, the Parties believe that it would be mutually beneficial to collaborate on promotional activities for the Product (defined below) and, accordingly, G1 desires to appoint BI as a co-exclusive promoter for Product within the Field, within the Territory, and BI desires to accept such appointment and conduct such activities, for Product within the Field, within the Territory;

NOW, THEREFORE, in consideration of the following mutual promises and obligations, and for other good and valuable consideration the adequacy and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

Unless otherwise defined in this Agreement, the following terms shall have the meanings provided hereunder:

1.1. "**ABAC**" shall have the meaning set forth in **Section 4.3.7**.

1.2. "**Act**" shall mean the Federal Food, Drug and Cosmetic Act, 21 U.S.C. § 301 et seq., as it may be amended from time to time, and the regulations promulgated thereunder.

1.3. "**Adverse Event**" shall mean any untoward medical occurrence in a patient or clinical investigation subject who is administered the Product, but which does not necessarily have a causal relationship with the treatment for which the Product is used. An "Adverse Event" can include any unfavorable and unintended sign (including an abnormal laboratory finding), symptom or disease temporally associated with the use of the Product, whether or not related to the Product. A pre-existing condition that worsened in severity after administration of the Product would be considered an "Adverse Event".

1.1.

1.4. "**Affiliate**" shall mean, any entity which directly or indirectly Controls, is Controlled by, or is under common Control with a Party. "Control," for purposes of this definition, means direct or indirect ownership or control of more than 50% (fifty percent) of the voting interests of the Party or the power to direct or cause the direction of the management and policies of such Party whether by contract, through the majority ownership of voting capital stock or otherwise. "Controlled" shall be interpreted accordingly.

1.5. "**Agreement**" shall have the meaning set forth in the preamble to this Agreement.

1.6. "**Alliance Managers**" shall have the meaning set forth in **Section 4.1.5**.

1.7. **"Annual SCLC Net Sales"** shall mean Net Sales, on a Contract Year basis, of Product in the Field, in the Territory.

1.8. "**Applicable Laws**" shall mean all applicable statutes, ordinances, regulations, codes, rules, and orders of any kind whatsoever of any Governmental Authority in the Territory pertaining to any of the activities and obligations contemplated by this Agreement, including, as applicable, the Act, the Generic Drug Enforcement Act of 1992 (21 U.S.C. § 335a et seq.), the Anti-Kickback Statute (42 U.S.C. § 1320a-7b et seq.), the Health Insurance Portability and Accountability Act of 1996, the Federal False Claims Act (31 U.S.C. §§ 3729-3733) (and applicable state false claims acts), the Physician Payments Sunshine Act, the Code, the Department of Health and Human Services Office of Inspector General Compliance Program Guidance for Pharmaceutical Manufacturers, released April 2003, the Antifraud and Abuse Amendment to the Social Security Act, the American Medical Association guidelines on gifts to physicians, generally accepted standards of good clinical practices adopted by current FDA regulations, as well as any state laws and regulations (i) impacting the promotion of pharmaceutical products, (ii) governing the provision of meals and other gifts to medical professionals, including pharmacists, or (iii) governing consumer protection and deceptive trade practices, including any state anti-kickback/fraud and abuse related laws, all as amended from time to time.

1.9. "**BI Property**" shall have the meaning set forth in **Section 7.1.1**.

1.10. "**Business Day**" shall mean each day of the week, excluding Saturday, Sunday and any day on which banking institutions in New York, New York, USA are closed.

1.11. "**Change of Control**" means, with respect to a Party, (a) a merger, reorganization or consolidation with a Third Party which results in the voting securities of such Party outstanding immediately prior thereto ceasing to represent, or being converted into or exchanged for voting securities that do not represent, at least fifty percent (50%) of the combined voting power of the voting securities of the surviving entity or the parent corporation of the surviving entity immediately after such merger, reorganization or consolidation, (b) a transaction in which a Third Party becomes the beneficial owner of fifty percent (50%) or more of the combined voting power of the outstanding securities of such Party, other than through the issuance of voting securities for the purpose of raising financing to one or more financial or institutional investors, or (c) the sale or other transfer of all or substantially all of such Party's business or assets relating to the Product.

1.12. "**Claims**" shall mean all charges, complaints, actions, suits, proceedings, hearings, investigations, claims, demands, judgments, orders, decrees, stipulations or injunctions, in each case of a Third Party (including any Governmental Authority).

1.13. "**Code**" shall mean the Code on Interactions with Healthcare Professionals promulgated by the Pharmaceutical Research and Manufacturers of America (PhRMA)/BIO, as it may be amended.

1.14. "**Commercialize**," "**Commercializing**," and "**Commercialization**" shall mean activities directed to manufacturing, obtaining pricing and reimbursement approvals for, marketing, promoting, distributing, importing, or selling the Product.

1.15. "**Commercially Reasonable Efforts**" shall mean, with respect to a Party's obligations under this Agreement, a measure of effort and resources consistent with the exercise of prudent scientific and business judgment and the reasonable practices that would typically be exerted by a similarly situated pharmaceutical or biotechnology company of comparable size and capabilities as such company for the Development or Commercialization of a pharmaceutical product with similar characteristics owned by such company at a similar stage of development or commercialization as the Product, taking into account efficacy and safety considerations, and other relevant scientific, technical, and commercial factors, including product profile, the regulatory environment, competitiveness of the marketplace and market potential, and price and reimbursement status.

1.16. "**Compliance Manager**" shall have the meaning set forth in **Section 4.3.7**.

1.17. "**Confidential Information**" shall mean all secret, confidential, non-public and proprietary Know-How, whether provided in written, oral, graphic, video, computer or other form, provided by or on behalf of one Party to the other Party pursuant to this Agreement, including information relating to the disclosing Party's existing or proposed research, development efforts, promotional efforts, regulatory matters, patent applications or business and any other materials that have not been made available by the disclosing Party to the general public. All such information related to this Agreement disclosed by or on behalf of a Party (or its Affiliate) to the other Party (or its Affiliate) pursuant to the Confidentiality Agreements shall be deemed to be such Party's Confidential Information disclosed hereunder. For purposes of clarity, (a) G1's Confidential Information shall include (i) all Product Materials unless and until made available by or on behalf of G1 to the general public and (ii) all Know-How specifically relating to the Product or its Commercialization that is developed by or on behalf of BI in connection with the performance of its obligations under this Agreement, (b) BI's Confidential Information shall include any and all internal business procedures and business plans, client and marketing information and materials, customers, prospective customers financial information and ideas for new products and services, strategic data, forecasts, information technology, compliance program policies and procedures, and any other information which relates to the way BI conducts its business, and (c) the terms of this Agreement shall be considered Confidential Information of both Parties.

1.18. "**Confidentiality Agreements**" shall mean (a) that certain Mutual Confidential Disclosure Agreement between the Parties dated and made effective [***] and (b) that certain Secrecy Agreement between the Parties dated and made effective [***].

1.19. **"Contract Year"** shall mean each successive one-year period following the First Commercial Sale. The first Contract Year refers to the period beginning on the First Commercial Sale and ending one year thereafter. Successive Contract Years refer to the one-year periods following the end of the first Contract Year.

1.20. "**Development**" shall mean non-clinical, pre-clinical and clinical drug discovery, research, or development activities, including without limitation quality assurance and quality control development, and any other activities reasonably related to or leading to the development and submission of information to a Regulatory Authority. When used as a verb, "**Develop**" means to engage in Development.

1.21. "**Dispute**" shall have the meaning set forth in **Section 12.6**.

1.22. "**Dollar**" or "**$**" shall mean United States dollar.

1.23. "**Effective Date**" shall have the meaning set forth in the preamble to this Agreement.

1.24. "**FDA**" shall mean the United States Food and Drug Administration or any successor agency performing comparable functions.

1.25. "**Field**" shall mean the prevention of chemotherapy-induced myelosuppression in SCLC patients.

1.26. "**First Commercial Sale**" shall mean the first commercial sale of the Product for monetary value by BI, G1, one or more of its Affiliates in an arm's length transaction to a Third Party, including without limitation any final sale to a distributor or wholesaler under any non-conditional sale arrangement, of the Product in the Field in the Territory after Regulatory Approval of the Product has been granted in the Field in the Territory. For the avoidance of doubt, sales or transfers of the Product for clinical and non-clinical research and trials (including studies reasonably necessary to comply with Applicable Law or requests by a Regulatory Authority), early access programs or for compassionate or similar use, shall not be considered a First Commercial Sale.

1.27. "**Fiscal Quarter**" shall mean each successive period of three (3) calendar months commencing on [***].

1.28. "**Fiscal Year**" shall mean each successive period of (12) twelve months commencing on [***] and ending on [***].

1.29. "**GAAP**" shall mean United States generally accepted accounting principles.

1.30. "**Governmental Authority**" shall mean any court, agency, authority, department, regulatory body or other instrumentality of any government or country or of any national, federal, state, provincial, regional, county, city or other political subdivision of any such government or any supranational organization of which any such country is a member, which has competent and binding authority to decide, mandate, regulate, enforce, or otherwise control the activities of the Parties contemplated by this Agreement.

1.31. "**G1 Trademarks and Copyrights**" shall mean the logos, trade dress, slogans, domain names and housemarks of G1 or any of its Affiliates as may appear on any Product Materials or Product Labeling, in each case, as may be updated from time to time by G1.

1.32. "**Indemnified Party**" shall have the meaning set forth in **Section 10.3**.

1.33. "**Indemnifying Party**" shall have the meaning set forth in **Section 10.3**.

1.34. "**Intellectual Property**" shall mean inventions, developments, discoveries, writings, trade secrets, Know-How, methods, practices, procedures, designs, improvements and other technology, whether or not patentable or copyrightable, and any Patent Rights, or copyrights based thereon.

1.35. "**JPC**" shall have the meaning set forth in **Section 3.1**.

1.36. "**Know-How**" shall mean information, whether or not in written form, including biological, chemical, pharmacological, toxicological, medical or clinical, analytical, quality,

manufacturing, research, or sales and marketing information, including processes, methods, procedures, techniques, plans, programs and data.

1.37. "**Losses**" shall mean any and all amounts paid or payable to Third Parties with respect to a Claim (including any and all losses, damages, obligations, liabilities, fines, fees, penalties, awards, judgments, interest), together with all documented out-of-pocket costs and expenses, including attorney's fees, reasonably incurred.

1.38. **"Market Access Plan"** shall mean a market access plan that sets forth, on a semi-annual basis (a) the agreed to key market access accounts to be targeted (e.g., Group Purchasing Organizations ("**GPOs**"), Integrated Delivery Networks, and professional oncology organizations (e.g., COA, NCODA)) to enable patient access to the Product, (b) the agreed to pre-defined customer-facing strategy and activities to be performed by the Oncology National Accounts Team, including attendance and participation at regional/national GPO meetings, interactions with GPOs to identify promotional/educational partnership opportunities, and interactions with key physician customers and accounts. The Market Access Plan as of the Effective Date is included in the Promotion Plan set forth on Schedule B hereto.

1.39. "**Net Sales**" shall mean, for an applicable period, with respect to the Product, commencing with the First Commercial Sale, net sales as determined in accordance with GAAP, which, for the avoidance of doubt, shall comprise the gross amounts received by G1 or its Affiliates for arm's length sales of the Product in the Field in the Territory to a Third Party (excluding any sales of G1 or its Affiliates), less the following deductions solely to the extent incurred or allowed with respect to such sales, and solely to the extent such deductions are in accordance with GAAP, and which are not already reflected as a deduction from the invoiced price: (a) discounts, including GPO administrative fees (to the extent not previously applied to such amounts received), charge-back payments, and rebates; (b) credits and allowances for damaged goods, rejections, recalls or returns of the Product; (c) allowances for doubtful or uncollectible amounts (provided that, such amounts shall be included in the computation of "Net Sales" to the extent subsequently collected or earned) and if the Product is sold by G1 or its Affiliates through intermediaries such as agents, consignees or co-promoters who do not purchase and take title to the Product, the promotion fee will be due only on sales to those Third Parties who actually purchase and take title to the Product through such intermediaries; and (d) payments to wholesalers in accordance with distribution service agreements. If the Product is distributed to Third Parties in connection with clinical and non-clinical research and trials (including studies reasonably necessary to comply with Applicable Law), Product samples, charitable purposes, promotional purposes, early access programs, compassionate sales or use, or an indigent program or similar *bona fide* arrangements for which G1 or any of its Affiliates for good faith business reasons receives consideration in respect thereof that is less than the average cost of goods for this Product, such consideration shall not be included in Net Sales.

1.40. "**NDA**" shall mean a New Drug Application filed with the FDA that is required for approval for the Product in the United States, and its foreign equivalent in the Territory.

1.41. "**Oncology National Accounts Team**" shall mean the personnel engaged in the execution of the Market Access Plan, the specific details of which are set forth in the Promotion Plan.

1.42. "**Oncology Personnel**" shall mean the Oncology National Accounts Team and the Oncology Sales Consultants.

1.43. "**Oncology Sales Consultant**" shall mean the personnel engaged in the execution of the Sales Plan the specific details of which are set forth in the Promotion Plan.

1.44. "**Party**" shall have the meaning set forth in the preamble to this Agreement.

1.45. "**Patent Rights**" means (a) patents and patent applications, and any foreign counterparts thereof, (b) all divisionals, continuations, continuations-in-part of any of the foregoing, and any foreign counterparts thereof, and (c) all patents issuing on any of the foregoing, and any foreign counterparts thereof, together with all registrations, reissues, re-examinations, supplemental protection certificates, substitutions or extensions thereof, and any foreign counterparts thereof.

1.46. "**Person**" shall mean any individual, corporation, partnership, limited liability company, association, joint-stock company, trust, unincorporated organization or other entity, or government or political subdivision thereof.

1.47. "**Pharmacovigilance Agreement**" shall have the meaning set forth in **Section 5.4**.

1.48. **"Pre-Launch Plan"** shall mean a pre-launch plan that that sets forth, for the Oncology Personnel predefined, agreed to activities including Product and disease state training, region/territory business planning and key customer/account profiling, cross-functional partner planning and information sharing, and appropriate pre-launch customer engagements, as set forth in Schedule A, which the Parties may amend by mutual written agreement.

1.49. "**Product**" shall mean any product that contains Trilaciclib.

1.50. "**Product Labeling**" shall mean the labels and other written, printed or graphic matter upon (a) any container or wrapper utilized with the Product or (b) any written material accompanying the Product, including Product package inserts, in each case as approved by the FDA.

1.51. "**Product Materials**" shall have the meaning set forth in **Section 4.4.1(a)**.

1.52. "**Product Training Materials**" shall have the meaning set forth in **Section 4.4.1(a)**.

1.53. "**Professionals**" shall mean health care practitioners, consisting of physicians, nurse practitioners, physician assistants, pharmacists and any other medical professionals operating in their individual capacity or as part of an organization or institution, in the Territory with prescribing, formulary or dispensing authority (as authorized under Applicable Law) in the Territory for the Product.

1.54. "**Promotional Materials**" shall have the meaning set forth in **Section 4.4.1(a)**.

1.55. "**Promotion Plan**" means the requirements set forth in Schedule B to this Agreement, as such shall be revised semiannually, and may, subject to the provisions of Section 3.4.2, be amended as needed; in either case in consultation with the JPC. The Promotion Plan shall consist of a Sales Plan and a Market Access Plan.

1.56. "**Promotion Services**" shall mean any and all customer engagement and market access activities with respect to the Product in the Territory, as set forth in the Promotion Plan or otherwise mutually agreed upon by the Parties in writing, in each case, in accordance with the terms of this Agreement.

1.57. "**Qualifying Customer Engagement**" shall have the meaning provided in the Promotion Plan as described in Schedule B.

1.1.

1.58. "**Regulatory Approval**" shall mean any and all necessary approvals, licenses, registrations or authorizations from any Governmental Authority, in each case, necessary to Commercialize the Product in the Field and in the Territory.

1.59. "**Regulatory Authority**" means any national or supranational Governmental Authority, including without limitation the FDA that has responsibility for granting any licenses or approvals or granting pricing or reimbursement approvals necessary for the development, marketing, and sale of the Product in the Territory.

1.60. "**Regulatory Exclusivity**" means any exclusive marketing rights or data exclusivity rights conferred by any Governmental Authority under Applicable Law with respect to the Product in the Territory to prevent Third Parties from Commercializing the Product in such country or jurisdiction, other than a Patent Right, including without limitation orphan drug exclusivity, pediatric exclusivity and rights conferred in the U.S. under the Hatch-Waxman Act or the FDA Modernization Act of 1997.

1.61. "**Regulatory Filings**" means any and all regulatory applications, filings, modifications, amendments, supplements, revisions, reports, submissions, authorizations, and Regulatory Approvals, and associated correspondence required to Develop and Commercialize the Product in the Territory, including without limitation any reports or amendments necessary to maintain Regulatory Approvals.

1.62. "**Reports**" shall have the meaning set forth in **Section 4.2.1**.

1.63. "**Restricted Period**" shall have the meaning set forth in **Section 2.3.1**.

1.64. "**Schedule**" shall mean a schedule attached to this Agreement.

1.65. "**Sales Forecast**" shall have the meaning set forth in **Section 4.1.3**.

1.66. "**Sales Plan**" shall mean the written sales plan relating to promotion of the Product in the Field in the Territory by the Oncology Sales Consultants, which shall set forth, on a semi-annual basis, without limitation, the commercial activities geared towards achieving the Sales Forecasts provided in **ARTICLE 3**. The Sales Plan as of the Effective Date is included in the Promotion Plan set forth on Schedule B hereto.

1.67. "**SCLC**" shall have the meaning set forth in the recitals to this Agreement.

1.68. "**Senior Officer**" shall mean, with respect to G1, its Chief Executive Officer and Chief Financial Officer (or such officer's designee), and with respect to BI, its President and Chief Financial Officer (or such officer's designee). From time to time, each Party may change its Senior Officer by giving written notice to the other Party.

1.69. "**Standstill Period**" shall have the meaning set forth in **Section 2.3.3**.

1.70. "**Target Launch Date**" shall mean the target date for the initial Commercialization of the Product in the Territory, which date shall be selected by G1, in its sole discretion; provided that (a) such target date shall be no earlier than [***] and (b) G1 shall provide notice of such target date to BI in writing no later than [***] following G1's receipt from FDA of a Prescription Drug User Fee Act date for the NDA submitted by G1 and accepted for filing by FDA.

1.71. "**Term**" shall have the meaning set forth in **Section 11.1**.

1.72. "**Territory**" shall mean the United States of America and Puerto Rico.

1.73. "**Third Party(ies)**" shall mean any person or entity other than G1 and BI and their respective Affiliates.

1.74. **"Transition Plan"** shall have the meaning set forth in **Section 11.3.6**.

1.75. "**Trilaciclib**" means G1's intravenous (or IV) cyclin-dependent kinase 4 and 6 inhibitor designed to protect hematopoietic stem and progenitor cells during chemotherapy.

ARTICLE 2
RIGHTS AND OBLIGATIONS

2.1 **Engagement; Grant of Rights; Exclusivity**. During the Term, subject to the terms and conditions of this Agreement, G1 hereby grants to BI the co-exclusive right with G1 to promote the Product in the Territory in the Field, and to conduct the Promotion Services in accordance with the terms and conditions of this Agreement. BI shall have no other rights relating to the Product, except as specifically set forth in this Agreement. BI's rights and obligations under this Section 2.1 **are non-transferable, non-assignable, and non-delegable. BI shall not subcontract the Promotion Services with any Third Party (including any contract sales force). For clarity, BI shall not have any other license rights hereunder except as expressly set forth in this Section 2.1, nor any rights to sublicense any rights hereunder. During the Term, without the prior written consent of BI, which shall be given or withheld within its sole discretion, G1 shall not appoint any Third Party to perform Promotion Services or like services for the Product in the Field, in the Territory, provided that G1 will reserve the right to (a) supplement BI's performance of Promotion Services and to perform Promotion Services using its own resources (e.g., G1 employees, contractors and consultants) and (b) engage Third Parties in connection with the Transition Plan.**

2.2 **Retention of Rights**. Except with respect to the co-exclusive rights granted to BI to conduct the Promotion Services for the Product in the Territory in the Field pursuant to Section 2.1**, G1 retains all rights in and to the Product, including the right for G1 and its Affiliates to, in their sole discretion but without limiting BI's obligations hereunder, promote the Product in the Territory and to perform any Promotion Services (whether alone or in coordination with BI) and to supplement BI's performance of any Promotion Services, provided that such G1 activities will be at G1's sole expense and will not materially or adversely impact BI's ability to perform its obligations under this Agreement, to the extent such G1 activities impair BI's ability to meeting the Minimum Annual Threshold, BI's obligation to do so shall be waived. BI will facilitate (a) participation of G1 personnel in field rides with BI sales representatives and (b) attendance of G1 personnel in BI training sessions relating to the Product. G1 shall have the sole right, as between the Parties, to Develop and otherwise Commercialize the Product, including without limitation, determining the marketing and regulatory strategies for seeking (if and when appropriate) Regulatory Approvals and Regulatory Exclusivity in the Territory for Product in the Field, filing for such Regulatory Approvals and Regulatory Exclusivity for Product in the Territory, preparing, submitting, and maintaining any and all Regulatory Filings and Regulatory Approvals for Product in the Field in the Territory, and seeking any necessary Regulatory Approvals of Regulatory Authorities for Product Labeling and Promotional Materials to be used in connection with Commercializing Product in the Field in the Territory. G1 shall solely own and control any and all Regulatory Approvals and any and all other Regulatory Filings submitted in connection with seeking and maintaining Regulatory Approvals for the Product in the Field in the Territory. As between the Parties, G1 shall be responsible for all costs and expenses incurred by G1 in connection with the foregoing activities. Without limiting the generality of the foregoing, G1 specifically retains the following rights (and BI and its Affiliates shall have no rights to the following):**

1.1.1

2.2.1 responsibility for all decisions regarding regulatory submissions and for all communications that relate to any Regulatory Approvals or other Regulatory Filings prior to and after any Regulatory Approval with respect to the Product in the Field in the Territory;

2.2.2 responsibility for the manufacture and distribution of the Product, and any future development of the Product;

2.2.3 responsibility for creation, development, and final approval of all Product Materials content (including submission of Promotional Materials to FDA's Office of Prescription Drug Promotion, as applicable) with respect to the conduct of the Promotion Services for the Product, except as expressly set forth herein;

2.2.4 selling and booking all sales of the Product;

2.2.5 responsibility for the Product's overall commercial strategy, including marketing, payer strategy, pricing, regulatory and other government affairs;

2.2.6 responsibility for handling all safety related activities related to the Product as set forth in **ARTICLE 5** (including submitting all safety reports and interacting with Governmental Authorities with respect thereto) and initiating and managing any Product recalls; and

2.2.7 determining the Target Launch Date for the Product in the Territory.

For clarity, except as provided in **Sections 2.1** or **2.4**, BI shall not acquire any license or other intellectual property interest, by implication or otherwise, in any technology, Know-How or other Intellectual Property owned or controlled by G1 or any of its Affiliates, and G1 is not providing any such technology, Know-How or other Intellectual Property, or any assistance related thereto, to BI for any use other than the performance of BI's obligations under this Agreement.

2.3 Non-Competition; Non-Solicitation; Standstill.

2.3.1 **Non-Competition**. During the Term of this Agreement and through and including the [***] of termination of this Agreement (the "**Restricted Period**"), neither BI nor its Affiliates shall, directly or indirectly, market, offer for sale, sell, or promote any [***] without G1's prior written consent, which shall be given or withheld within its sole discretion.

2.3.2 **Non-Solicitation**. During Restricted Period, neither BI nor G1 (nor any of their respective Affiliates) shall directly or indirectly solicit for hire or employ as an employee, consultant or otherwise, any employee, consultant or other professional personnel of the other Party who has had direct involvement with the JPC, Promotion Services under this Agreement or G1's Commercialization activities for the Product, without the other Party's prior written consent, which shall not be unreasonably withheld; provided, however, that this restriction shall not apply to: (a) conducting any general solicitation not specifically targeted at any such employee; or (b) hiring any employee who responds to such general advertising or who approaches such Party or its Affiliates without any solicitation or inducement to leave the employ of such other Party or its Affiliates.

2.3.3 **Standstill Period**. BI agrees that during the Restricted Period (the "**Standstill Period**"), neither BI nor any of its controlled Affiliates shall, without the prior written consent of G1, directly or indirectly, in any manner:

(a) acquire, offer or propose to acquire, solicit an offer to sell or agree to acquire, directly or indirectly, alone or in concert with others, by purchase or otherwise, any direct or indirect beneficial interest in any voting securities of G1 or any of its Affiliates or direct or indirect rights, warrants or options to acquire, or securities convertible into or exchangeable for, any voting securities of G1 or any of its Affiliates;

(b) make, or in any way participate in, directly or indirectly, alone or in concert with others, any "solicitation" of "proxies" to vote (as such terms are used in the proxy rules of the Securities and Exchange Commission promulgated pursuant to section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) or seek to advise or influence in any manner whatsoever any Person with respect to the voting of any voting securities of G1 or any of its Affiliates;

(c) form, join with other security-holders or participate in a "group" (within the meaning of Section 13(d)(3) of the Exchange Act) with respect to G1 or its Affiliates or any voting securities of G1 or any of its Affiliates;

(d) acquire, offer to acquire or agree to acquire, directly or indirectly, alone or in concert with others, by purchase, exchange or otherwise, (i) a material portion of the assets, tangible or intangible, of G1 or any of its Affiliates or (ii) direct or indirect rights, warrants or options to acquire a material portion of the assets of G1 or any of its Affiliates, except for such assets as are then being offered for sale by G1 or any of its Affiliates;

(e) arrange, or in any way participate, directly or indirectly, in any financing for the purchase of any voting securities of G1 or its Affiliates or any securities convertible into or exchangeable or exercisable for any voting securities or assets of G1 or its Affiliates;

(f) otherwise act, alone or in concert with others, to seek to propose to G1 or any of its stockholders any merger, business combination, tender or exchange offer, restructuring, recapitalization, liquidation or other transaction to or with BI or any of its Affiliates or otherwise seek, alone or in concert with others, to control, change or influence the management or board of directors of G1 or nominate any Person as a director who is not nominated by the then incumbent directors, or propose any matter to be voted upon by the stockholders of G1; or

(g) advise, assist or encourage any other Person in connection with any of the foregoing.

2.4 G1 Trademarks and Copyrights.

2.4.1 BI shall have the co-exclusive right to use the G1 Trademarks and Copyrights solely on Product Materials in order to perform the Promotion Services and solely in accordance with the terms and conditions of this Agreement. G1 shall promptly notify BI of any updates or changes to the G1 Trademarks and Copyrights on the Product Materials, and BI shall thereafter solely use such updated Product Materials in performing its obligations under this Agreement. BI shall promptly notify G1 upon becoming aware of any violation of this **Section 2.4.1**.

2.4.2 BI shall follow all instructions and guidelines of G1 (of which G1 shall provide BI copies) in connection with the use of any G1 Trademarks and Copyrights, and, if G1 reasonably objects to the manner in which any such G1 Trademarks and Copyrights are being used, BI shall immediately cease the use of any such G1 Trademarks and Copyrights in such manner upon written notice from G1 thereof. Without limiting the foregoing, BI shall also adhere to at least the same quality control provisions as companies in the pharmaceutical industry adhere to for their own trademarks and

copyrights. In all cases, BI shall use the G1 Trademarks and Copyrights with the necessary trademark (and copyright, as applicable) designations, and shall use the G1 Trademarks and Copyrights in a manner that does not derogate from G1's rights in the G1 Trademarks and Copyrights. BI shall not at any time during the Term knowingly do or allow to be done any act or thing which will in any way impair or diminish the rights of G1 in or to the G1 Trademarks and Copyrights. All goodwill and improved reputation generated by BI's use of the G1 Trademarks and Copyrights shall inure to the benefit of G1, and any use of the G1 Trademarks and Copyrights by BI shall cease at the end of the Term. BI shall have no rights under this Agreement in or to the G1 Trademarks and Copyrights except as specifically provided herein.

ARTICLE 3
JOINT PROMOTION COMMITTEE

3.1 **Formation of the Joint Promotion Committee**. As soon as practicable, but no later than [***] prior to the Target Launch Date, the Parties shall form a Joint Promotion Committee ("**JPC**") whose responsibilities during the Term shall be to oversee the activities set forth in Section 3.3**. The JPC shall consist of [***] members, with [***] members designated by G1 and [***] members designated by BI, each with suitable seniority and relevant experience and expertise to enable such person to address matters falling within the purview of the JPC. All meetings of the JPC shall be chaired by one of the [***]** representatives from G1. From time to time, each Party may change any of its representatives on the JPC by giving written notice to the other Party. The JPC shall determine a meeting schedule, provided that in any event meetings shall be conducted no less frequently than [***] by teleconference or in person, or as otherwise agreed by the Parties. In person meetings shall occur at such places as mutually agreed by the Parties.

3.2 **Meetings and Minutes**. Each Party shall make all proposals for agenda items and shall provide all appropriate information with respect to such proposed items at least [***] in advance to the applicable meeting; provided that under exigent circumstances requiring input by the JPC, a Party may provide its agenda items to the other Party within a shorter period of time in advance of the meeting, or may propose that there not be a specific agenda for that particular meeting, so long as the other Party consents to such later addition of such agenda items or the absence of a specific agenda for such meeting, such consent not to be unreasonably withheld. The chairperson shall prepare and circulate for review and approval of the Parties minutes of each meeting within [***] after the meeting. Each Party shall bear its own costs for its members to attend such meetings.

3.3 **Purpose of the JPC**. The purposes of the JPC shall be to, subject to Section 3.4:

3.3.1 provide BI the opportunity to provide input and recommendations related to the Commercialization and product strategy for the Product in the Field, in the Territory;

3.3.2 provide a forum to discuss and coordinate the Parties' activities under this Agreement, in particular sales performance and metrics, and, subject to **Section 3.4.2**, develop, update, amend and approve the Sales Plan and the Market Access Plan, including information related to Oncology Personnel, customer-facing strategy, customer insights and feedback, as well as other information related to the Promotion Services performed for the Product in the Field, in the Territory;

3.3.3 provide a forum to discuss Product Materials, Promotional Materials and strategy;

3.3.4 provide a forum for discussing the [***] Sales Forecast and revisions thereto;

3.3.5 provide a forum for reviewing and agreeing on revisions to the Promotion Plan proposed by G1 semi-annually for each Contract Year (to be finalized by the JPC no later than [***] prior to each [***] period for each Contract Year),

3.3.6 provide a forum to review and discuss the Reports and reports of Net Sales and Product performance;

3.3.7 perform such other responsibilities as may be mutually agreed upon by the Parties in writing from time to time; and

3.3.8 provide a forum for the Parties to discuss any additional issues related to the Product or the performance of the Promotion Services that may arise during the Term of this Agreement.

For clarity the JPC shall have no authority to amend or modify any provisions of this Agreement and no authority to waive or definitively interpret the provisions of this Agreement. In connection with the JPC meetings contemplated under **Section 3.2** (but in any event, no less frequently than each [***]), each Party shall provide to the other Party a written summary of the Reports.

3.4 Decision Making.

3.4.1 **Quorum; Voting**. The Parties agree that all JPC meetings shall include the [***] representatives of each Party. In the event, however, that a representative from either Party is unable to attend a meeting, that representative shall provide prompt notice to the JPC of their inability to attend the Meeting, and under no circumstance shall either Party have less than [***] representatives. Each Party shall have [***]. The JPC shall use good faith efforts to reach consensus on all matters properly brought before it. If the JPC does not reach [***] consensus on an issue at a meeting, or within a period of [***] thereafter, then the JPC shall submit in writing the respective positions of the Parties to the Senior Officers of the Parties. Such Senior Officers shall use good faith efforts to resolve promptly such matter, which good faith efforts shall include [***] between such Senior Officers within [***] after the JPC's submission of such matter to them. Any final decision mutually agreed to in writing by the Senior Officers shall be conclusive and binding on the Parties. If the Senior Officers are not able to agree on the resolution of any such issue within [***] after such issue was first referred to them, then, subject to **Section 3.4.2**, G1 shall have the right to conclusively determine on the issue under dispute.

3.4.2 **BI Approvals**. Any proposed change or amendment to the (a) Market Access Plan or (b) Sales Plan that would (i) [***] or (ii) [***], require the written approval of BI.

ARTICLE 4
BI PROMOTION SERVICES FOR THE PRODUCT

4.1 Promotion Services.

4.1.1 **General**. BI shall conduct the Promotion Services for the Product in the Field in the Territory in accordance with this Agreement, including, without limitation, in accordance with the then-current Promotion Plan.

4.1.2 **Oncology Sales Consultants and Oncology National Accounts Team**. Without limiting the generality of the foregoing, BI shall hire, and continuing throughout the remainder of the Term, shall maintain at its sole cost and expense, a team of Oncology Sales Consultants with responsibility to execute on the Sales Plan, and an Oncology National Accounts Team to deliver activities in accordance with the Market Access plan. BI shall, at its sole cost and expense, provide and maintain

the Oncology Personnel at **[***]**. BI will be responsible for effective management of vacancies to ensure that all personnel in all roles (a) are employees of BI and members of BI's dedicated U.S. commercial organization, (b) possess the skills, training and experience (consistent with industry standards) that are necessary to successfully promote or support oncology products in their assigned role, and (c) complete all Product-specific training and other sales training reasonably required by G1. BI shall have such Oncology Personnel in place as specified in the Promotion Plan in order to appropriately train on the Product prior to Target Launch Date.

4.1.3 **Sales Forecast**.

(a) No later than [***] prior to the Target Launch Date, G1 shall provide a final forecast of reasonably expected Net Sales of the Product in the Territory in the Field for a [***] period, including projected [***] Net Sales (the "**Sales Forecast**"). Thereafter, each [***] of the Term, G1 shall prepare and provide to BI an [***] Sales Forecast for such period. The Sales Forecast shall be updated by G1 from time to time as appropriate, discussed at the JPC, and comprise part of the Sales Plan.

(b) On a [***] basis, the JPC shall review actual Fiscal Year-to-date Net Sales performance compared to the Sales Forecast.

4.1.4 **Target Incentive Compensation**. BI will ensure that a minimum of [***] weighting of [***] target bonus for each member of the Oncology Sales Consultants ties directly to the performance of the Product in each [***]. Such bonuses will not be capped in any [***]. The [***] target bonus for each member of the Oncology National Accounts Team will be based on a certain percentage that ties directly to the performance of the Product in each [***], together with a certain percentage of accomplishments related to the Product as evaluated through Management By Objectives, which collectively BI will ensure a minimum of [***] weighting of [***] target bonus for each member of the Oncology National Accounts Team.

4.1.5 **Alliance Managers**. Each Party shall appoint a person who shall oversee interactions between the Parties for all matters related to this Agreement, and any related agreements between the Parties (each an "**Alliance Manager**"). The Alliance Managers shall endeavor to ensure clear and responsive communication between the Parties and the effective exchange of information, and shall serve as a single point of contact for all matters arising under this Agreement. The Alliance Managers shall have the right to attend all JPC meetings, and may bring to the attention of the JPC any matters and issues either of them reasonably believes should be discussed, and shall have such other responsibilities related to this agreement as the Parties may mutually agree in writing. Each Party may designate different Alliance Managers by notice in writing to the other Party. Alliance Managers shall have no authority to amend or modify any provisions of this Agreement and no authority to waive or definitively interpret the provisions of this Agreement.

4.2 Reports and Records

4.2.1 **Reports**. G1 shall provide BI with certain information relating to the sale, Commercialization, marketing and promotion of the Product, and BI shall provide G1 with certain information reflecting the execution and activities of the Promotion Plan ("**Reports**"), as set forth in Schedule C. Through the JPC, the Parties shall agree on a mutually acceptable form of the Report.

4.2.2 **Records**. BI shall keep accurate and complete records, consistent with pharmaceutical industry standards, of each Qualifying Customer Engagement and its obligations hereunder in connection therewith, and such records shall be kept for [***] after the end of the Fiscal

Year to which they relate. G1 shall have the right, at its own expense, during normal business hours and upon reasonable prior notice, through an independent Third Party reasonably acceptable to BI, and upon execution of a confidentiality agreement reasonably satisfactory to BI in form and substance, to inspect the applicable records and books maintained by BI relating to the Promotion Services solely for purposes of verifying BI's compliance with the terms of this Agreement. For purposes of clarity, any such inspection right described in this **Section 4.2.2** shall be limited to only those books and records of BI that are applicable to BI's performance of its obligations under this Agreement and may be conducted no more than once per calendar year. Where necessary, on reasonable request, G1's inspection rights shall include interviewing Oncology Personnel and other employees of BI. BI shall reasonably cooperate in any such inspection conducted by G1. G1 shall treat all information subject to review under this **Section 4.2.2** in accordance with the confidentiality provisions of this Agreement.

4.3 Compliance with Applicable Law.

4.3.1 In conducting the Promotion Services hereunder, BI shall, and shall require all Oncology Personnel to, comply in all respects with Applicable Laws. In addition, G1 shall, and shall require all of its sales representatives to, comply in all respects with Applicable Laws in connection with its Development or Commercialization of the Product in the Territory.

4.3.2 Neither BI or the Oncology Personnel, nor G1, its Affiliates or their respective licensees, shall offer, pay, solicit or receive any remuneration to or from any Professionals (including target prescribers), in order to induce referrals of or purchase of the Product.

4.3.3 In performing the activities contemplated by this Agreement, neither BI or the Oncology Personnel, nor G1 or its Affiliates, shall make any payment, either directly or indirectly, of money or other assets to government or political party officials, officials of international public organizations, candidates for public office, or representatives of other businesses or persons acting on behalf of any of the foregoing where such payment would constitute violation of any Applicable Law. In addition, neither BI nor G1 shall make any payment, either directly or indirectly, to officials if such payment is for the purpose of unlawfully influencing decisions or actions with respect to the subject matter of this Agreement.

4.3.4 No employee of BI nor its Affiliates shall have authority to give any direction, either written or oral, relating to the making of any commitment by G1 or its agents to any Third Party in violation of this Agreement.

4.3.5 Neither BI nor G1 shall undertake any activity under or in connection with this Agreement which violates any Applicable Law.

4.3.6 If, during the Term, either Party becomes aware of a failure to comply with Applicable Law or the terms of this Agreement by any member of the Oncology Personnel, such Party shall promptly, but no later than [***] after it becomes aware, notify the other Party of such violation and, as promptly as possible thereafter, shall notify the steps it has taken or intends to take to remediate such violation.

4.3.7 Each Party hereby represents and warrants to the other Party that it, its owners, directors, officers, employees, sub-contractors and agents will act in full compliance with any applicable Anti-Bribery/Anti-Corruption ("**ABAC**") laws and regulations, industry and professional codes of practice and will not offer, promise, pay or arrange for payment or giving of a bribe or any benefit, advantage or anything of value to any public official, individual, entity or any other Third Party in exchange for an improper advantage in any form either directly or indirectly.

4.3.8 As soon as practicable, but no later than [***] prior to the Target Launch Date, each Party shall appoint a representative to act as its compliance manager under this Agreement, each of which shall be routinely responsible for advising such Party on compliance matters and has suitable seniority and other relevant experience and expertise (each, a "**Compliance Manager**"). From time to time, each Party may change its Compliance Manager by giving written notice to the other Party. The Compliance Managers shall serve as a key point of contact between the Parties for compliance-related matters. Each Compliance Manager shall facilitate the resolution of any compliance issue with the Compliance Manager of the other Party. The Compliance Managers shall use good faith efforts to reach consensus on all compliance matters. If the Compliance Managers do not reach consensus on an issue promptly, then such issue shall be submitted to dispute resolution process described in Section 12.6. The Parties agree that the Oncology Personnel shall follow BI's compliance program policies and procedures, and upon the reasonable request of G1 from time to time, BI shall deliver to G1 copies of BI's compliance program policies and procedures which are applicable to the Oncology Personnel promotion of the Product. Other than as expressly stated herein, BI shall not be required to modify its compliance policies or practices in connection with the compliance-related provisions herein.

4.4 Oncology Personnel Training; Product Materials.

4.4.1 **Training, Training Materials and Promotional Materials**.

(a) Subject to the terms of this **Section 4.4.1**, G1 shall prepare and control the content of (i) all Product training materials for Oncology Personnel (the "**Product Training Materials**") and (ii) all Product marketing and educational materials (the "**Promotional Materials**") (the Product Training Materials and the Promotional Materials, collectively, the "**Product Materials**"). G1 shall be solely responsible for ensuring that the Product Materials prepared and approved by it are in compliance with the Regulatory Approval for the Product, the Product Labeling and Applicable Law. Once approved by G1 (or, upon mutual consent of the Parties, in parallel with G1's review), the content of the Product Materials shall be provided by G1 to BI in advance of the Promotion Services to allow for BI to review such content and provide feedback to G1 in advance of use of the Product Materials. Within an average of [***] of receipt of such Product Materials, BI shall provide to G1 any comments and proposed revisions to such Product Materials that are related to any legal or regulatory concerns regarding any Applicable Law, the Regulatory Approval for the Product or the applicable Product Labeling. The Parties shall, in good faith, work together to mutually agree to either shorter or extended timeframes for review dependent on the content (*i.e.*, length, volume, or type of content) of the Product Materials requiring review. G1 shall in good faith reasonably consider any such BI comments for inclusion in such Product Materials. In the event of any disagreement between the Parties regarding any feedback received from BI with respect to the Product Materials, G1 shall have the right to conclusively determine such matter; provided that, BI shall not be required to use any Product Materials that it reasonably believes violate Applicable Law. If BI has provided comments to G1 on the Product Materials and G1 accepts some or all of such comments, then, once revised, G1 shall provide to BI the revised versions of such Product Materials for further review by BI, in accordance with the terms and timelines of this **Section 4.4.1(a)** above. BI shall use only Product Materials approved by G1 in the performance of Promotion Services under this Agreement. The content of Product Materials shall not be modified or changed by BI or Oncology Personnel at any time without the prior written approval of G1 in each instance. G1 shall be responsible for the costs and expenses of creation and development, reproduction, printing and delivery of the Product Materials. The information regarding the Product that is provided by BI or Oncology Personnel as part of the Promotion Services shall not deviate from the Product Materials. The Parties shall coordinate the production and delivery of Product Materials to allow sufficient time to accommodate scheduled training meetings and distribution to Oncology Personnel. The Parties shall collaborate to finalize the Product Materials in accordance with this **Section 4.4.1(a)** in advance of the Target Launch Date.

(b) By no later than [***] prior to the Target Launch Date, the Parties shall collaborate to plan and schedule training for the Oncology Personnel at a mutually acceptable time(s) and date(s), including a launch meeting at a mutually acceptable location. The costs and expenses of such launch meeting shall be [***], provided that [***] will bear all travel-related costs and expenses (e.g., transportation costs, lodging expenses, etc.) of its [***] who attend such launch meeting. BI shall provide the initial and all subsequent training with the target of [***] live, in-person or virtual training sessions annually. BI shall have the right, but not the obligation, to conduct such additional training itself, provided that the BI trainers have been trained by G1, and provided further that G1 shall have the right to attend such training upon reasonable notice by G1 to BI. BI shall certify in writing to G1 that all Oncology Sales Consultants have completed the training described in this **Section 4.4.1(b)**.

(c) BI and all Oncology Sales Consultants that are engaged in Promotion Services shall comply with the applicable provisions of the Code, and shall be trained on BI's compliance policies, including those that are consistent with the applicable provisions of Sec. 1128B(b) of the Social Security Act and the American Medical Association Ethical Guidelines for Gifts to Physicians from Industry (which such training may have been accomplished prior to the Term), prior to commencing any Promotion Services. BI agrees that it shall train any employee or agent of BI who is involved in performing the activities contemplated by this Agreement on anti-corruption and anti-bribery at its own expense.

(d) Oncology Sales Consultants shall conduct the Promotion Services only after having undergone the training described in this **Section 4.4**.

4.4.2 **Ownership of Product Materials**. As between the Parties, G1 shall own all right, title and interest in and to any Product Materials (and all content contained therein) and any Product Labeling (and all content contained therein), including applicable copyrights and trademarks, and to the extent BI (or any of its Affiliates) obtains or otherwise has a claim to any of the foregoing, BI hereby assigns (and shall cause any applicable Affiliate to assign) all of its right, title and interest in and to such Product Materials (and content) and Product Labeling (and content) to G1 and BI agrees to (and shall cause its applicable Affiliate to) execute all documents and take all actions as are reasonably requested by G1 to vest title to such Product Materials (and content) and Product Labeling (and content) in G1 (or its designated Affiliate).

4.5 Provisions Related to Oncology Personnel.

4.5.1 **Activities of Oncology Personnel**. BI hereby agrees and acknowledges that the following shall apply with respect to itself and the Oncology Personnel.

(a) BI shall instruct and cause the Oncology Personnel to use only the Product Labeling and, subject to the terms of **Section 4.4**, Product Materials approved by G1 for the conduct of the Promotion Services for the Product and consistent with Applicable Laws. BI shall instruct

the Oncology Personnel and ensure that such Oncology Personnel limit their claims of efficacy and safety for such Product to those claims which are consistent with and do not exceed the Product Labeling and any Promotional Materials.

(b) BI acknowledges and agrees that G1 will not maintain or procure any worker's compensation, healthcare, or other insurance for or on behalf of the Oncology Personnel, all of which shall be BI's sole responsibility.

(c) BI acknowledges and agrees that all Oncology Personnel are employees of BI and are not, and are not intended to be treated as, employees of G1 or any of its Affiliates, and that such individuals are not, and are not intended to be, eligible to participate in any benefits programs or in any "employee benefit plans" (as such term is defined in section 3(3) of the Employee Retirement Income Security Act of 1974, as amended) that are sponsored by G1 or any of its Affiliates or that are offered from time to time by G1 or its Affiliates to their own employees. All matters of compensation, benefits and other terms of employment for any such Oncology Personnel shall be solely a matter between BI and such individual. G1 shall not be responsible to BI, or to the Oncology Personnel, for any compensation, expense reimbursements or benefits (including vacation and holiday remuneration, healthcare coverage or insurance, life insurance, severance or termination of employment benefits, pension or profit-sharing benefits and disability benefits), payroll-related taxes or withholdings, or any governmental charges or benefits (including unemployment and disability insurance contributions or benefits and workmen's compensation contributions or benefits) that may be imposed upon or be related to the performance by BI or such individuals of this Agreement, all of which shall be the sole responsibility of BI, even if it is subsequently determined by any Governmental Authority that any such individual may be an employee or a common law employee of G1 or any of its Affiliates or is otherwise entitled to such payments and benefits.

(d) BI shall be solely responsible for the acts and omissions of the Oncology Personnel that are not in compliance with Applicable Law and the terms of this Agreement while performing any of the activities under this Agreement. BI shall be solely responsible and liable for all probationary and termination actions taken by it, as well as for the formulation, content and dissemination (including content) of all employment policies and rules (including written probationary and termination policies) applicable to its employees.

(e) BI shall only perform the Promotion Services using Oncology Personnel, and, except in the ordinary course of business, BI shall not materially reduce the number of its Oncology Personnel.

4.5.2 **Termination of Employment; Cessation of Promotion Services**. If any member of the Oncology Personnel leaves the employment of BI, or otherwise ceases to conduct the Promotion Services for the Product, BI shall, ensure that such departing member of the Oncology Personnel shall cease providing services in accordance with BI's internal policies and procedures.

4.5.3 **Discipline**. If G1 has a reasonable basis for believing any member of the Oncology Personnel has violated any Applicable Laws, or failed to comply with this Agreement, then G1 shall notify BI of the alleged violation and BI shall promptly investigate the matter and, if the allegation turns out to be true, shall take the appropriate remedial action. Subject to the foregoing, BI shall be solely responsible for taking any disciplinary actions in connection with its Oncology Personnel performance. If, at any time, G1 has any other compliance-related concerns regarding the performance of any Oncology Personnel, G1's Compliance Manager shall notify BI's Compliance Manager of such concerns in writing and the Compliance Managers shall discuss and resolve such matters.

4.6 **Responsibility for BI Activity Costs and Expenses**. Other than as expressly set out herein, BI shall be solely responsible for any and all costs and expenses incurred by BI or any of its Affiliates in connection with the conduct of the Promotion Services by the Oncology Personnel for the Product hereunder, including: (i) hiring and maintaining employees; (ii) conducting training and development activities; (iii) paying personnel expenses (e.g., salaries, bonuses, benefits, workers' compensation premiums, unemployment insurance contributions and other payments required by Applicable Laws to be made on behalf of employees); (iv) fleet expenses; (v) technology expenses; (vi) travel, lodging and associated expenses (including those incurred in connection with attending any trainings); (vii) operations and overhead costs supporting its employees; (viii) routine sales and plan of action meetings and associated production costs; and (ix) funds for lunch-and-learns and local meetings displays/exhibits.

4.7 **Additional Indications.** In the event that G1 is considering partnering with a Third Party to promote or market Trilaciclib during the Term for any additional indications, G1 will discuss with BI in good faith an option for BI to co-promote Trilaciclib in the Territory for such additional indications, provided that G1 shall have no obligation to grant BI any rights with respect to any additional indications for Trilaciclib.

4.8 **Data Exchange.** Each Party shall, at its own cost, reasonably cooperate with the other to effectively share and exchange data in relation to Commercialization activities under this Agreement in accordance with the terms set forth in the attached Schedule C.

ARTICLE 5
REGULATORY, SAFETY AND SURVEILLANCE, COMMERCIAL MATTERS

5.1 **G1 Responsibility**. As between the Parties, except as expressly set out herein, all regulatory matters regarding the Product shall be the responsibility of G1, including responsibility for all communications with Governmental Authorities, including but not limited to the FDA, related to the Product, and G1 shall have sole responsibility to seek and obtain any necessary approvals of any Product Labeling and the Promotional Materials used in connection with the Product, and for determining whether the same requires approval. As between the Parties, G1 shall be responsible for any reporting of matters regarding the manufacture, sale and promotion of the Product (including Adverse Events) to or with the FDA and other relevant Regulatory Authorities, in accordance with Applicable Laws. G1 shall maintain, at its cost, the Regulatory Approvals for the Product and shall comply with all Applicable Law relevant to the conduct of G1's business with respect to the Product or pursuant to this Agreement, including, without limitation, all applicable requirements under the Act.

5.2 **BI Involvement**. Except as expressly permitted herein, BI shall not, without G1's prior written consent, correspond or communicate with the FDA or with any other Governmental Authority concerning the Product, or otherwise take any action concerning any Regulatory Approval or other authorization under which the Product is marketed or sold. If not prohibited by any Governmental Authority or Applicable Law, BI shall provide to G1, promptly upon receipt, copies of any communication from the FDA or other Governmental Authority related to the Product. If not prohibited by any Governmental Authority or Applicable Law, G1 has the right to review and comment on BI's draft responses to any Governmental Authorities relevant to the Product prior to BI's issuance of such response, and BI agrees to consider any comments and suggestions from G1 in good faith, provided such comments and suggestions would not violate Applicable Law.

5.3 **Inspections**.

1.1.1

5.3.1 If not prohibited by any Governmental Authority or Applicable Law, BI shall notify G1 immediately upon receipt of any notice of inspection or investigation by any Governmental Authority related to or that BI reasonably believes may impact any aspect of the Promotion Services. If not prohibited by any Governmental Authority or Applicable Law, G1 shall have the right to have a representative present at any such portion of the inspection involving any Promotion Services. In such cases, BI shall (a) keep G1 fully informed of the progress and status of any such inspection or investigation, (b) prior to undertaking any action pursuant to this **Section 5.3.1**, notify G1 of the inspection or investigation, and disclose to G1 in writing the Governmental Authorities' assertions, findings and related results of such inspection or investigation pertaining to the Promotion Services, and (c) provide full disclosure to G1 with respect to any action undertaken or proposed to be undertaken pursuant to this **Section 5.3.1** prior to acting as it pertains to the Promotion Services. In addition, if such findings or the Governmental Authority requests or suggests that BI should change any aspect of the Promotion Services, the Parties shall work together to make any such modification; provided, however, that notwithstanding anything to the contrary herein, BI shall not be required to engage in any Promotion Services to the extent any finding or Governmental Authority has requested or suggested that BI may not engage in such activity.

5.3.2 If not prohibited by any Governmental Authority or Applicable Law, G1 shall notify BI immediately upon receipt of any notice of inspection or investigation by any Governmental Authority related to or that G1 reasonably believes may impact any aspect of the Promotion Services. In such cases, G1 shall (a) keep BI fully informed of the progress and status of any such inspection or investigation, (b) disclose to BI in writing the Governmental Authorities' assertions, findings and related results of such inspection or investigation pertaining to the Product or its promotion, and (c) provide full disclosure to BI with respect to any action undertaken or proposed to be undertaken pursuant to this **Section 5.3.2** prior to acting as it pertains to the Promotion Services. In addition, if such findings or the Governmental Authority requests or suggests that BI should change any aspect of the Promotion Services, the Parties shall work together to make any such modification; provided, however, that notwithstanding anything to the contrary herein, BI shall not be required to engage in any Promotion Services to the extent any finding or Governmental Authority has requested or suggested that BI may not engage in such activity.

5.4 Pharmacovigilance. Subject to the terms of this Agreement, G1 and BI (under the guidance of their respective pharmacovigilance departments, or equivalent thereof) shall identify and finalize the responsibilities the Parties shall employ to protect patients and promote their well-being in a separate safety data exchange agreement ("**Pharmacovigilance Agreement**"). The Parties shall initiate negotiation of the Pharmacovigilance Agreement within [***] following the execution of this agreement, and conclude the Pharmacovigilance Agreement prior to Product launch. The Parties agree, that, such guidelines and procedures, as set forth in the Pharmacovigilance Agreement, shall provide that any Oncology Personnel or BI Affiliate that becomes aware of an Adverse Event shall follow all G1 policies and procedures regarding Adverse Event reporting, including G1's Adverse Event Reporting standard operating procedure. G1 shall be responsible for providing Adverse Event training to BI for the Product prior to the Target Launch Date. The Pharmacovigilance Agreement shall provide that: (a) G1 shall be responsible for all pharmacovigilance activities regarding the Product, including signal detection, medical surveillance, risk management, medical literature review and monitoring, Adverse Event reporting and responses to Governmental Authority requests or enquiries, and shall provide information related thereto to BI, and (b) in the event BI receives safety information regarding the Product, or information regarding any safety-related regulatory request or inquiry, BI shall notify G1 as soon as practicable, but, in any event, within the timelines set forth in the Pharmacovigilance Agreement.

5.5 Unsolicited Requests for Medical Information. BI shall direct to G1 any unsolicited requests for off-label medical information from health care professionals with respect to the Product

promptly following receipt by BI (but in no event later than [***] after receipt). G1 shall, within [***] following receipt of any such request from BI, address any such requests directly to the health care professional, and thereafter, G1 shall use Commercially Reasonable Efforts to notify BI that such response was provided.

5.6 **Recalls and Market Withdrawals**. As between the Parties, G1 shall have the sole right to determine whether to implement, and to implement, a recall, field alert, withdrawal or other corrective action related to the Product. G1 shall bear the cost and expense of any such recall, field alert, withdrawal or other corrective action. Each Party shall promptly (but in any case, not later than [***] after) notify the other Party in writing of any order, request or directive of a court or other Governmental Authority to recall or withdraw the Product. BI shall reasonably cooperate with G1 with any recall, field alert, withdrawal or other corrective action related to the Product by requiring that Oncology Personnel inform (a) prescribers of any such recall, field alert, withdrawal or corrective action, and (b) G1 of any relevant information related thereto following such prescriber discussions.

5.7 **Certain Reporting Responsibilities**. Notwithstanding the foregoing provisions of this ARTICLE 5**, each Party shall be responsible for its own federal, state and local government pricing reporting and payment transparency reporting in the Territory arising from its Product promotional activities and related expenditures pursuant to Applicable Law. It is the intention of the Parties that any payments and transfers of value by a Party, as such relate to the Product, shall constitute transfers of value by that Party and such Party shall be responsible for the reporting described in the immediately preceding sentence. However, if a Party is deemed to have provided any payments and transfers of value to a Third Party on behalf of the other Party as it relates to the Product, then such Party shall provide to the other Party, in a format reasonably acceptable to such other Party, the data and other information on a timely basis (i.e., in the case of manual reporting of such data and other information, within [***] following the end of each [***]**, and, in the case of automated reporting of such data and other information, on a periodic basis during each **[***]** as reasonably requested by such other Party) for such other Party's reporting under the Physician Payments Sunshine Act and other Applicable Laws.

5.8 **Booking of Sales Revenues**. G1 shall retain ownership of the rights to the Product and record on its books all revenues from sales of the Product. G1 shall be exclusively responsible for accepting and filling purchase orders, billing, and returns with respect to the Product. If BI receives an order for the Product, it shall promptly transmit such order to G1 (or its designee) for acceptance or rejection. G1 shall have sole responsibility for shipping, distribution and warehousing of the Product, and for the invoicing and billing of purchasers of the Product and for the collection of receivables resulting from the sales of the Product in the Territory.

5.9 **Returns**. BI is not authorized to accept any Product returns. BI shall advise any customer who attempts to return any Product to BI (or its Affiliates) that such Product must be shipped by the customer to the facility designated by G1 from time to time (and in accordance with other instructions provided by G1). G1 shall provide to BI written instructions as to how BI should handle any Product that is actually physically returned to BI. BI shall take no other actions with respect to such return without the prior written consent of G1.

5.10 **Development; Manufacturing; Distribution; Marketing**. G1 shall have the sole authority to Develop, Commercialize, manufacture, package, label, warehouse, sell and distribute the Product in the Territory. G1 shall use Commercially Reasonable Efforts to Develop and Commercialize at least one (1) Product in the Field in the Territory. Following Regulatory Approval for the Product in the Field in the Territory, G1 shall use Commercially Reasonable Efforts to cause sufficient quantities of Product to be available in inventory to promptly fill orders throughout the Territory and otherwise meet the forecasted demand for Product in the Territory. If, despite such efforts, there is insufficient supply of

Product to meet demand, then G1 shall use Commercially Reasonable Efforts to promptly address such insufficiency. G1 shall contractually require (and shall use commercially reasonable efforts to enforce such contractual provisions) that all Product is manufactured, shipped, sold and distributed in accordance with all Product specifications and all Applicable Law and that its contract manufacturers or suppliers of Product operate their facilities in accordance with Applicable Law. G1 shall ensure that all Product Labeling complies with the applicable Regulatory Approval for the Product and Applicable Law. Other than as set forth in this Agreement, G1 shall be responsible for all marketing of the Product in the Territory.

ARTICLE 6
FINANCIAL PROVISIONS

6.1 **Start-Up Payment**. G1 shall pay BI an initial, non-refundable, start-up payment of [***] (the "**Start-Up Payment**"), which payment will cover the **[***]** of BI's activities under the Pre-Launch Plan. The Start-Up Payment will be paid in two (2) equal installments on the following dates:

6.1.1 [***] to be paid within [***] of [***], and

6.1.2 Subject to Section 11.2.8, [***] to be paid within [***].

6.2 **Additional Start-Up Payments.** G1 shall pay BI an additional start-up payment of [***] (the "**Additional Start-Up Payment**") **[***]** beyond the [***] period of [***] until the **[***]**, provided that, at the time of each such **[***]** payment, BI continues to conduct the activities under the Pre-Launch Plan.

6.3 **Sales Payment.**

6.3.1 **Calculation of Sales Payment**.

(a) Subject to **Section 6.3.2**, commencing with the [***] following the [***], as consideration for the Promotion Services performed by BI, G1 shall pay BI a promotion fee based on Net Sales of all Product in the Territory in each [***] during the Term (the "**Sales Payment**"), calculated as follows:

Contract Year 1: an amount equal to [***] of Annual SCLC Net Sales up to [***], plus an amount equal to [***] of Annual SCLC Net Sales exceeding [***]; but in no event an amount less than [***] for such Contract Year (the "**Annual Floor**")

Contract Year 2: an amount equal to [***] of Annual SCLC Net Sales up to [***], plus an amount equal to [***] of Annual SCLC Net Sales exceeding [***]; but in no event an amount less than the Annual Floor

Contract Year 3: an amount equal to [***] of Annual SCLC Net Sales up to [***], plus an amount equal to [***] of Annual SCLC Net Sales exceeding [***]; but in no event an amount less than the Annual Floor

(b) G1 shall make the Sales Payments on a [***] basis during the applicable Contract Year, subject to a true-up payment at the end of each Contract Year if the Annual Floor has not been met (the "**Annual Floor True-Up**"). When a [***] includes two (2) [***], the Net Sales for any

applicable month within such [***] that spans two (2) [***] will be allocated between the two (2) [***] on a pro-rata basis.

6.3.2 **Adjustment of Sales Payments**. Notwithstanding the forgoing, if BI fails to deliver Qualifying Customer Engagements equal to at least [***] of the annual number of Qualifying Customer Engagements required under the Sales Plan for such Contract Year (the **"Minimum Annual Threshold"**), then (a) the Annual Floor will not apply for such Contract Year, (b) G1 will not be required to pay the Annual Floor True-Up (if any) for such Contract Year, and (c) BI will promptly refund to G1 an amount equal to the aggregate Sales Payments made for the applicable Contract Year multiplied by the actual percentage of Qualifying Customer Engagements not achieved. The [***] of the Qualifying Customer Engagements not achieved will be calculated by dividing the number of uncompleted Qualifying Customer Engagements by the total Qualifying Customer Engagements in the Promotion Plan as set forth in Schedule B.

6.4 Periodic Reports; Payments.

6.4.1 [***] **Reports and Payments**. Within [***] after the end of each [***] during the Term, G1 shall provide to BI a written report setting forth in reasonable detail the calculation of the Net Sales for such [***] and the Sales Payment payable in respect of such Net Sales in accordance with **Section 6.3**. Within [***] after the end of each [***] during the Term, G1 shall pay to BI the portion of the promotion fee payable in respect of such Net Sales.

6.4.2 [***] **Estimate Reports**. Within [***] of the end of each [***] within each [***], G1 shall provide to BI a written report setting forth G1's good faith estimate of the Net Sales for such [***]. The Parties acknowledge and agree that the [***] reports shall only set forth G1's good faith estimates of the items contained therein and are being provided to BI for information purposes only and shall not be determinative of the any amounts due hereunder.

6.4.3 **Payment Adjustments**. If new information becomes available after the close of a [***] under the process described in **Section 6.4.1** that would adjust the amount of recognized Net Sales or payments under this Agreement, such adjustments shall be made in the [***] they become available. Additions and deductions in payments resulting from any adjustments shall be applied to the next regularly scheduled [***] payment.

6.4.4 **Disputes**. Promptly upon receipt of the [***] reports described in this **Section 6.4.4**, BI shall review such reports and, in the event that BI disputes any of the items described in such report, BI shall promptly notify G1 of any such disputes within [***] of receipt of the applicable report. The Parties shall meet promptly thereafter to attempt to resolve such disputes.

6.4.5 **Manner of Payment**. All payments under this Agreement shall be made in US Dollars by wire transfer or Automated Clearing House to a bank account designated in writing by BI or G1, as applicable, which shall be designated at least [***] before such payment is due.

6.4.6 **Late Payments**. If BI does not receive payment of any sum due to it on or before the due date, simple interest shall thereafter accrue on the sum due to BI from the due date until the date of payment at the [***] published in the Wall Street Journal on the due date [***] or the maximum rate allowable by Applicable Law, whichever is less. For clarity, any payments due from adjustments under **Section 6.4.3** shall not be considered late payments.

6.5 Taxes. To the extent G1 is required to deduct and withhold taxes from any payment to BI, G1 shall pay the amounts of such taxes to the proper Governmental Authority in a timely manner and

promptly transmit to BI an official tax receipt or other evidence of timely payment sufficient to enable BI to claim the payment of such taxes as a deduction or tax credit. Prior to any payments being made to BI under this agreement, BI shall provide to G1 any tax forms that may be reasonably necessary in order for G1 to not withhold tax and G1 shall dispense with withholding, as applicable. G1 shall provide BI with reasonable assistance to enable the recovery, as permitted by Applicable Laws, of any withholding taxes deducted from payments to BI in any event.

6.6 **Recordkeeping**. Each Party shall maintain complete and accurate books and records in sufficient detail, in accordance with GAAP (to the extent applicable and in accordance with the Agreement) and all Applicable Law, to enable verification of the performance of such Party's obligations under this Agreement and any payments due to a Party under this Agreement. Unless otherwise specified herein, the books and records for a given Fiscal Year of the Term shall be maintained for a period of [***] after the end of such Fiscal Year or longer if required by Applicable Law.

6.7 **BI Rights**. BI shall have the right, at its own expense, during normal business hours and upon reasonable prior notice, through an independent certified public accountant reasonably acceptable to G1, and upon execution of a confidentiality agreement reasonably satisfactory to G1 in form and substance, to inspect the applicable records and books maintained by G1 solely for purposes of verifying the accuracy of Net Sales amounts reported by G1 pursuant to Section 6.4.1 **hereof and the fees payable by G1 to BI under this Agreement in respect of such amounts. For clarity, such inspection right described in this Section 6.7 shall be limited to only those books and records of payment reports and amounts owed to BI as a result of G1's achievement of Net Sales of the Product in the Territory under this Agreement and (i) may be conducted no more than [***]**, and (ii) may only cover the most recently completed [***]. Disputes, if any, must be submitted to G1 within [***] after the completion of such inspection. G1 shall reasonably cooperate in any such inspection or audit conducted by BI. BI shall treat all information subject to review under this Section 6.7 **in accordance with the confidentiality provisions of this Agreement.**

ARTICLE 7
INTELLECTUAL PROPERTY

7.1 **Ownership of Intellectual Property**.

7.1.1 **BI Property**. G1 acknowledges that BI owns or is licensed to use certain Know-How relating to proprietary sales and marketing information, methods and plans that has been independently developed or licensed by BI (such Know-How, the "**BI Property**"). The Parties agree that any improvement, enhancement or modification made, discovered, conceived, or reduced to practice by BI to any BI Property in performing its activities pursuant to this Agreement shall be deemed BI Property, and shall be the Confidential Information of BI.

7.1.2 **G1 Property**. G1 shall have and retain sole and exclusive right, title and interest in and to all Intellectual Property that is (a) owned or controlled by G1 as of the Effective Date, (b) made, discovered, conceived, reduced to practice or generated by G1 (or its employees or representatives) during the Term, or (c) made, discovered, conceived, reduced to practice or generated by BI (or its employees or representatives) in performing its activities pursuant to this Agreement other than the BI Property, and any such Intellectual Property shall be deemed the Confidential Information of G1.

7.2 **Title to Trademarks and Copyrights**. The ownership, and all goodwill from the use, of any G1 Trademarks and Copyrights shall at all times vest in and inure to the benefit of G1, and BI shall assign, and hereby does assign, any rights it may have in the foregoing to G1. BI shall not, directly or

indirectly, adopt, apply for or acquire any trademarks, trade names, or domain names that include or are confusingly similar to any of the G1 Trademarks and Copyrights.

7.3 **Protection of Trademarks and Copyrights**. As between the Parties, G1 shall have the sole right (but not the obligation), as determined by G1 in its sole discretion, to (a) maintain the G1 Trademarks and Copyrights and (b) protect, enforce and defend the G1 Trademarks and Copyrights. BI shall give notice to G1 of any infringement of, or challenge to, the validity or enforceability of the G1 Trademarks and Copyrights promptly after learning of such infringement or challenge. If G1 institutes an action against Third Party infringers or takes action to defend the G1 Trademarks and Copyrights, BI shall reasonably cooperate with G1, at [***] cost and expense. Any recovery obtained by G1 as a result of such proceeding or other actions, whether obtained by settlement or otherwise, shall be retained by G1. BI shall not have any right to institute any action to defend or enforce the G1 Trademarks and Copyrights.

7.4 **Protection of Patent Rights**. As between the Parties, G1 shall have the sole right (but not the obligation), as determined by G1 in its sole discretion, to (a) prosecute and maintain the G1 Patent Rights and (b) protect, enforce and defend the G1 Patent Rights. BI shall give notice to G1 of any misappropriation or infringement of, or challenge to, the validity or enforceability of the G1 Patent Rights promptly after learning of such misappropriation or infringement or challenge. If G1 institutes an action against Third Party infringers or takes action to stop the misappropriation or infringement of the G1 Patent Rights, BI shall reasonably cooperate with G1, at [***] cost and expense. Any recovery obtained by G1 as a result of such proceeding or other actions, whether obtained by settlement or otherwise, shall be retained by G1. BI shall not have any right to institute any action to defend or enforce the G1 Patent Rights.

7.5 **Disclosure of Know-How**. Subject to the provisions of this Article 7, the Parties hereby agree and acknowledge that to the extent that either Party hereto has disclosed, or in the future discloses, to the other Party any Know-How or other Intellectual Property of such Party or its Affiliates pursuant to this Agreement, the other Party shall not acquire any ownership rights in such Know-How or other Intellectual Property by virtue of this Agreement or otherwise, and as between the Parties, all ownership rights therein shall remain with the disclosing Party (or its Affiliate).

ARTICLE 8
CONFIDENTIALITY

8.1 **Confidential Information.**

8.1.1 **Confidentiality and Non-Use**. Each Party agrees that, during the Term and for a period of [***] thereafter, it shall keep confidential and shall not publish or otherwise disclose and shall not use for any purpose other than as provided for in this Agreement (which includes the exercise of its rights or performance of any obligations hereunder) any Confidential Information furnished to it by or on behalf of the other Party pursuant to this Agreement, except to the extent expressly authorized by this Agreement or otherwise agreed in writing by the Parties. Without limiting the foregoing, each Party shall use at least the same standard of care as it uses to protect its own Confidential Information to ensure that its employees, agents, consultants and contractors do not disclose or make any unauthorized use of such Confidential Information. Each Party shall promptly notify the other upon discovery of any unauthorized use or disclosure of the other's Confidential Information. Any and all information and materials disclosed by a Party pursuant to the Confidentiality Agreements shall be deemed Confidential Information disclosed pursuant to this Agreement. The foregoing confidentiality and non-use obligations shall not

apply to any portion of the other Party's Confidential Information that the receiving Party can demonstrate by competent tangible evidence:

(a) was already known to the receiving Party or its Affiliate, other than under an obligation of confidentiality, at the time of disclosure to the receiving Party;

(b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the receiving Party;

(c) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission of the receiving Party or its Affiliates in breach of this Agreement;

(d) was disclosed to the receiving Party or its Affiliate by a Third Party who has a legal right to make such disclosure and who did not obtain such information directly or indirectly from the other Party (or its Affiliate); or

(e) was independently discovered or developed by the receiving Party or its Affiliate without access to or aid, application, use of the other Party's Confidential Information, as evidenced by a contemporaneous writing.

8.1.2 **Authorized Disclosure**. Notwithstanding the obligations set forth in **Section 8.1.1**, a Party may disclose the other Party's Confidential Information and the terms of this Agreement to the extent:

(a) such disclosure is reasonably necessary (x) to comply with the requirements of Governmental Authorities; or (y) for the prosecuting or defending litigation as contemplated by this Agreement;

(b) such disclosure is reasonably necessary to its Affiliates, employees, agents, consultants and contractors on a need-to-know basis for the sole purpose of performing its obligations or exercising its rights under this Agreement; provided that in each case, the disclosees are bound by obligations of confidentiality and non-use consistent with those contained in this Agreement and the disclosing Party shall be liable for any failures of such disclosees to abide by such obligations of confidentiality and non-use; or

(c) such disclosure is reasonably necessary to comply with Applicable Laws, including regulations promulgated by applicable securities exchanges, court order, administrative subpoena or order.

Notwithstanding the foregoing, in the event a Party is required to make a disclosure of the other Party's Confidential Information pursuant to **Section 8.1.2(a)** or **8.1.2(c)**, such Party shall, if permitted, promptly notify the other Party of such required disclosure and shall use reasonable efforts to assist the other Party (at the other Party's cost) in obtaining, a protective order preventing or limiting the required disclosure.

8.2 Public Announcements. No public announcement or statements (including presentations to investor meetings and customer updates) concerning the existence of or terms of this Agreement or incorporating the marks of the other Party or their respective Affiliates shall be made, either directly or indirectly, by either Party or a Party's Affiliates, without first obtaining the written approval of the other Party and agreement upon the nature, text and timing of such announcement or disclosure. The Parties

agree that the Parties have the right to issue a joint communication / press release within sixty (60) days following the Effective Date of this Agreement, in a form to be agreed upon by the Parties. Neither Party may issue any other public announcement or press release relating to this agreement without the written approval of the other Party, which shall include the written approval of the content of such press release or public announcement. For clarity, the Parties agree that after a press release pursuant to this Section 8.2 hereof, the Parties may make subsequent public disclosures, disclosing the same content without having to again follow the procedures set forth herein; provided such information remains accurate as of such time. For clarity, the approval to issue a public announcement in addition to the initial press release referred to in the first sentence of this Section 8.2 does not imply any approval of the content of any subsequent public announcements. Each Party agrees that it shall cooperate fully with the other with respect to all disclosures regarding this Agreement to the Securities Exchange Commission and any other Governmental Authorities, including requests for confidential treatment of proprietary information of either Party included in any such disclosure. Once any written statement is approved for disclosure by the Parties or information is otherwise made public in accordance with this Section 8.2, either Party may make a subsequent public disclosure of the same contents of such statement in the same context as such statement without further approval of the other Party. Notwithstanding anything to the contrary contained herein, in no event shall either Party disclose any financial information of the other without the prior written consent of such other Party, unless such financial information already has been publicly disclosed by the Party owning the financial information or otherwise has been made part of the public domain by no breach of a Party of its obligations under this ARTICLE 8.

ARTICLE 9
REPRESENTATIONS AND WARRANTIES; ADDITIONAL COVENANTS

9.1 **Representations and Warranties of G1**. G1 represents and warrants to BI as of the Effective Date that:

9.1.1 it is a corporation duly organized and validly existing under the laws of the state or other jurisdiction of its incorporation;

9.1.2 the execution, delivery and performance of this Agreement by it has been duly authorized by all requisite corporate action;

9.1.3 it has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder;

9.1.4 this Agreement constitutes a legal, valid and binding obligation enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency or other laws of general application affecting the enforcement of creditor rights, judicial principles affecting the availability of specific performance and general principles of equity (whether enforceability is considered a proceeding at law or equity);

9.1.5 the execution, delivery and performance of this Agreement by G1 does not require the consent of any Person (including under any agreement with a Third Party) or the authorization of (by notice or otherwise) any Governmental Authority including the FDA;

9.1.6 there is no action, suit or proceeding pending or, to the knowledge of G1, threatened, against G1 or any of its Affiliates, or to the knowledge of G1, any Third Party acting on their behalf, which would be reasonably expected to impair, restrict or prohibit the ability of G1 or BI to perform its obligations and enjoy the benefits of this Agreement;

9.1.7 it has no knowledge of any information relating to the safety or efficacy of the Product or any communications with any Governmental Authority, which would reasonably be expected to materially impair, restrict, prohibit or affect G1's ability to perform its obligations and enjoy the benefits of this Agreement;

9.1.8 it is in compliance in all material respects with all Applicable Laws applicable to the subject matter of this Agreement;

9.1.9 it is not a party to any agreement or arrangement with any Third Party or under any obligation or restriction agreement (including any outstanding order, judgment or decree of any court or administrative agency) which in any way limits or conflicts with its ability to execute and deliver this Agreement and to fulfill any of its obligations under this Agreement;

9.1.10 neither G1 nor any of its personnel (a) have been debarred under the 21 U.S.C. § 335a, (b) are excluded, debarred, suspended, or otherwise ineligible to participate in the federal health care programs or in federal procurement or nonprocurement programs, (c) are convicted of a criminal offense that falls within the ambit of the federal statute providing for mandatory exclusion from participation in federal health care programs but has not yet been excluded, debarred, suspended, or otherwise declared ineligible to participate in those programs, (d) are listed on the HHS/OIG List of Excluded Individuals/Entities (available through the Internet at http://oig.hhs.gov) or (e) are listed on the General Services Administration's List of Parties Excluded from Federal Programs (available through the Internet at hhtp://epls.arnet.gov). If, during the Term, G1 or any of its personnel becomes or is the subject of a proceeding that could lead to, as applicable, (i) debarment under 21 U.S.C. § 335a, (ii) exclusion, debarment, suspension or ineligibility to participate in the federal health care programs or in federal procurement or nonprocurement programs, (iii) convicted (or conviction) of a criminal offense that falls within the ambit of the federal statute providing for mandatory exclusion from participation in federal healthcare programs, (iv) listed (or listing) on the HHS/OIG List of Excluded Individuals/Entities (available through the Internet at http://oig.hhs.gov) or (v) listed (or listing) on the General Services Administration's List of Parties Excluded from Federal Programs (available through the Internet at hhtp://epls.arnet.gov), G1 shall immediately notify BI, and BI shall have the option to prohibit such Person from performing work relating to this Agreement or the Product; and

9.1.11 the Product Materials provided by G1 to BI for the conduct of Promotion Services are, and shall be, compliant with the Regulatory Approval for the Product, the Product Labeling and Applicable Law.

9.2 **Representations and Warranties of BI**. BI represents and warrants to G1 as of the Effective Date that:

9.2.1 it is a corporation duly organized and validly existing under the laws of the state or other jurisdiction of its incorporation;

9.2.2 the execution, delivery and performance of this Agreement by it has been duly authorized by all requisite corporate action;

9.2.3 it has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder;

9.2.4 this Agreement constitutes a legal, valid and binding obligation enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency or other laws of general application affecting the enforcement of creditor rights, judicial principles affecting the

availability of specific performance and general principles of equity (whether enforceability is considered a proceeding at law or equity);

9.2.5 the execution, delivery and performance of this Agreement by BI does not require the consent of any Person or the authorization of (by notice or otherwise) any Governmental Authority or the FDA;

9.2.6 there is no action, suit or proceeding pending or, to the knowledge of BI, threatened, against BI or any of its Affiliates, or to the knowledge of BI, any Third Party acting on their behalf, which would be reasonably expected to impair, restrict or prohibit the ability of G1 or BI to perform its obligations and enjoy the benefits of this Agreement;

9.2.7 it is in compliance in all material respects with all Applicable Laws applicable to the subject matter of this Agreement;

9.2.8 it is not a party to any agreement or arrangement with any Third Party or under any obligation or restriction agreement (including any outstanding order, judgment or decree of any court or administrative agency) which in any way limits or conflicts with its ability to execute and deliver this Agreement and to fulfill any of its obligations under this Agreement;

9.2.9 it has no knowledge of any information relating to any communications with any Governmental Authority, which would reasonably be expected to materially impair, restrict, prohibit or affect BI's ability to perform its obligations and enjoy the benefits of this Agreement;

9.2.10 neither BI nor any of its personnel (a) have been debarred under the 21 U.S.C. § 335a, (b) are excluded, debarred, suspended, or otherwise ineligible to participate in the federal health care programs or in Federal procurement or nonprocurement programs, (c) are convicted of a criminal offense that falls within the ambit of the federal statute providing for mandatory exclusion from participation in federal health care programs but has not yet been excluded, debarred, suspended, or otherwise declared ineligible to participate in those programs, (d) are listed on the HHS/OIG List of Excluded Individuals/Entities (available through the Internet at http://oig.hhs.gov) or (e) are listed on the General Services Administration's List of Parties Excluded from Federal Programs (available through the Internet at hhtp://epls.arnet.gov). If, during the Term, BI or any of its personnel become or are the subject of a proceeding that could lead to, as applicable, (i) debarment under 21 U.S.C. § 335a, (ii) exclusion, debarment, suspension or ineligibility to participate in the federal health care programs or in Federal procurement or nonprocurement programs, (iii) convicted (or conviction) of a criminal offense that falls within the ambit of the federal statute providing for mandatory exclusion from participation in federal healthcare programs, (iv) listed (or listing) on the HHS/OIG List of Excluded Individuals/Entities (available through the Internet at http://oig.hhs.gov) or (v) listed (or listing) on the General Services Administration's List of Parties Excluded from Federal Programs (available through the Internet at hhtp://epls.arnet.gov), BI shall immediately notify G1, and G1 shall have the option to prohibit such Person from performing work under this Agreement.

9.3 Disclaimer of Warranty. EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 4.3.7, SECTION 9.1, AND SECTION 9.2, G1 (AND ITS AFFILIATES) AND BI (AND ITS AFFILIATES) MAKE NO REPRESENTATIONS AND NO WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, AND G1 (AND ITS AFFILIATES) AND BI (AND ITS AFFILIATES) EACH SPECIFICALLY DISCLAIM ANY OTHER REPRESENTATIONS AND WARRANTIES, WHETHER WRITTEN OR ORAL, EXPRESS, STATUTORY OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR

PURPOSE OR ANY WARRANTY AS TO THE VALIDITY OF ANY INTELLECTUAL PROPERTY OR THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

ARTICLE 10
INDEMNIFICATION; LIMITATIONS ON LIABILITY

10.1 **Indemnification by G1**. G1 shall defend, indemnify and hold harmless BI and its Affiliates and its and their respective officers, directors, employees, agents, representatives, successors and assigns from and against Third Party Claims, to the extent incurred or suffered by any of them to the extent resulting from or arising out of (a) any misrepresentation or breach of any representations, warranties, agreements or covenants of G1 under this Agreement, (b) negligence, willful misconduct or violation of Applicable Laws by G1 (or any of its Affiliates or its or their respective officers, directors, employees, agents or representatives), (c) the misappropriation or infringement of the intellectual property rights of any Third Party in connection with the Product, including from the use of the G1 Trademarks and Copyrights on Product Labeling or Product Materials in accordance with this Agreement, or (d) the Development and Commercialization of the Product by or on behalf of G1, its Affiliates and any of their respective licensees, including the death or personal injury to any person related to use of the Product; except in each case to the extent any such Claims, and all associated Losses, are caused by an item for which BI is obligated to indemnify G1 pursuant to Section 10.2.

10.2 **Indemnification by BI**. BI shall defend, indemnify and hold harmless G1 and its Affiliates and its and their respective officers, directors, employees, agents, representatives, successors and assigns from and against all Third Party Claims, to the extent incurred or suffered by any of them to the extent resulting from or arising out of (a) any misrepresentation or breach of any representations, warranties, agreements or covenants of BI under this Agreement, (b) negligence, willful misconduct, or violation of Applicable Laws by BI (or any of its Affiliates or its and their respective officers, directors, employees, agents or representatives) (c) any off-label Promotion Services by BI related to the Product (except for Promotion Services expressly required under the Promotion Plan) , (d) the misappropriation or infringement of the intellectual property rights of any Third Party in connection with BI's performance of the Promotion Services, or (e) labor disputes, Equal Employment Opportunity Commission charges or employment-related claims arising from or related to BI's employees; except in each case to the extent any such Claims, and all associated Losses, are caused by an item for which G1 is obligated to indemnify BI pursuant to Section 10.1.

10.3 **Indemnification Procedures**. The Party seeking indemnification under Section 10.1 or 10.2, as applicable (the "**Indemnified Party**") shall give prompt notice to the Party against whom indemnity is sought (the "**Indemnifying Party**") of the assertion or commencement of any Claim in respect of which indemnity may be sought under Section 10.1 or 10.2, as applicable, and shall provide the Indemnifying Party such information with respect thereto that the Indemnifying Party may reasonably request. The failure to give such notice shall relieve the Indemnifying Party of any liability hereunder only to the extent that the Indemnifying Party has suffered actual prejudice thereby. The Indemnifying Party shall assume and control the defense and settlement of any such action, suit or proceeding at its own expense; provided, however, if the Indemnified Party is G1, it shall assume and control the defense and settlement of any such action, suit or proceeding. The Indemnified Party shall, if requested by the Indemnifying Party, cooperate in all reasonable respects in such defense, at the Indemnifying Party's expense. The Indemnified Party shall be entitled at its own expense to participate in such defense and to employ separate counsel for such purpose. For so long as the Indemnifying Party is diligently defending any proceeding pursuant to this Section 10.3, the Indemnifying Party shall not be liable under Section 10.1 or 10.2, as applicable, for any settlement effected without its consent. No Party shall enter into any compromise or settlement which commits the other Party to take, or to forbear to take, any action without

the other Party's prior written consent (unless such compromise or settlement includes no payments by the Indemnified Party, an unconditional release of, and no admission of liability by, the Indemnified Party from all liability in respect of such Claim).

10.4 **Limitation of Liability**. NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN (OTHER THAN AS SET FORTH IN THE SECOND SENTENCE OF THIS SECTION 10.4), IN NO EVENT SHALL G1 (OR ITS AFFILIATES) OR BI (OR ITS AFFILIATES) BE LIABLE TO THE OTHER OR ANY OF THE OTHER PARTY'S AFFILIATES FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES (INCLUDING LOST PROFITS) SUFFERED OR INCURRED BY SUCH OTHER PARTY OR ITS AFFILIATES THAT ARISE OUT OF OR RELATE TO THIS AGREEMENT OR IN CONNECTION WITH A BREACH OR ALLEGED BREACH OF THIS AGREEMENT, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE, AND REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING SENTENCE SHALL NOT LIMIT (1) THE OBLIGATIONS **[***]**, OR (2) DAMAGES AVAILABLE FOR A PARTY'S BREACH OF **[***]** AND THE **[***]**.

10.5 **Insurance**. Without limiting its indemnification obligations under this Agreement, the Parties agree to maintain in effect at all times during the Term, at each Party's sole expense, the following minimum insurance coverage: (a) Statutory Workers' Compensation, and Employer's Liability Insurance in an amount of not less than [***] per accident; (b) Commercial General Liability Insurance in an amount of not less than [***] per occurrence and [***] annual aggregate; and (c) for any automobiles used in connection with the performance of Promotion Services, Commercial Automobile Liability Insurance with a combined single limit for bodily injury and property damage for the sum of not less than [***] each accident. Additionally, G1 shall maintain Products Liability Insurance in an amount of not less than [***] per claim in which policy BI shall be named as an additional insured. All certificate holders be given at least [***] prior written notice of any cancellation, non-renewal or termination of any of the above insurance policies. All of the foregoing coverage shall be provided by an insurance company that is duly licensed and has a minimum A.M. Best rating of A-VIII.

ARTICLE 11
TERM AND TERMINATION

11.1 **Term**. This Agreement shall become effective as of the Effective Date and, unless earlier terminated as provided in this ARTICLE 11, will terminate on the third (3rd) anniversary of the First Commercial Sale (the "**Term**"), provided that the Parties may mutually agree in writing to extend the Term pursuant to Section 12.8.

11.2 **Early Termination**. A Party shall have the right to terminate this Agreement before the end of the Term as follows:

11.2.1 by a Party upon written notice to the other Party in the event of a material breach of this Agreement by such other Party where such breach is not cured (if able to be cured) [***] following such other Party's receipt of written notice of such breach (and any such termination shall become effective at the end of such [***] period unless the breaching Party has cured such breach prior to the expiration of such [***] period);

11.2.2 by either Party upon written notice to the other Party if the Product has not obtained Regulatory Approval from the FDA by September 30, 2021;

11.2.3 by either Party upon [***] written notice to the other Party following the withdrawal of the Product from the market by G1 (or the decision by G1 to withdraw the Product from the market) due to (a) any decision, judgment, ruling or other requirement of the FDA, or (b) material safety concern;

11.2.4 by BI for convenience (for any reason or no reason), upon [***] prior written notice to G1, which notice may only be given after the [***] of the [***] of the Product in the Territory such that the effective date of termination may not occur prior to the [***] of the [***] of the Product in the Territory;

11.2.5 by BI at its sole discretion upon [***] written notice to G1 in the event of a Change of Control of G1;

11.2.6 by BI at its sole discretion upon written notice to G1 if the First Commercial Sale has not occurred by September 30, 2021;

11.2.7 by G1 for convenience (for any reason or no reason), upon [***] prior written notice to BI given any time after the Effective Date;

11.2.8 by G1 upon written notice to BI if G1 receives feedback from a Regulatory Authority that G1 reasonably believes, in good faith, indicates that FDA is unlikely to approve the NDA, which NDA was submitted to the FDA in June 2020; and

11.2.9 by a Party immediately upon written notice to the other Party upon the filing or institution of bankruptcy, reorganization, liquidation or receivership proceedings with respect to such other Party, or upon an assignment of a substantial portion of the assets for the benefit of creditors by such other Party, or in the event a receiver or custodian is appointed for such other Party's business or a substantial portion of such other Party's business is subject to attachment or similar process; provided, however, in the case of any involuntary bankruptcy proceeding such right to terminate shall only become effective if the Party consents to the involuntary bankruptcy or such proceeding is not dismissed within [***] after the filing thereof.

11.3 Effects of Termination.

11.3.1 **Cessation of Use and Return of Materials.** Upon the expiration or effective date of termination of this Agreement, (a) all rights and obligations of both Parties hereunder shall immediately terminate, subject to any survival as set forth in Section 11.3.5, (b) BI, at G1's direction, shall immediately return to G1 or destroy in accordance with all Applicable Laws all Product Materials, reports and other tangible items provided by or on behalf of G1 to BI or otherwise developed or obtained by BI pursuant to the terms of this Agreement (other than BI Property) (and at the request of G1, BI shall certify destruction of such materials if BI does not to return such materials to G1), (c) BI shall immediately cease all Promotion Services with respect to the Product, and (d) each of G1 and BI shall, at the other Party's direction, either return to such other Party or destroy all Confidential Information of such other Party.

11.3.2 **Limited Right to Retain Confidential Information.** Notwithstanding the foregoing, each Party may retain archival copies of any Confidential Information to the extent required by law, regulation or professional standards or copies of Confidential Information created pursuant to the automatic backing-up of electronic files where the delivery or destruction of such files would cause undue hardship to the receiving Party, so long as any such archival or electronic file back-up copies are

accessible only to its legal or IT personnel, provided that such Confidential Information shall continue to be subject to the terms of this Agreement.

11.3.3 **Sales Payments**. Upon any termination or expiration of this Agreement, G1 shall pay BI a pro-rated Sales Payment for sales achieved as of such effective date of termination, at the percentage of Annual SCLC Net Sales applicable for such Contract Year (including a pro-rated Annual Floor payment if applicable).

11.3.4 **Other Payment Obligations Upon Termination**. Notwithstanding Section 11.3.3:

(a) if this Agreement is (i) terminated by G1 for convenience pursuant to Section 11.2.7, or (ii) terminated by BI in the event of a Change of Control of G1 pursuant to Section 11.2.5 that occurs [***], then, in each case ((i) and (ii)), G1's Annual Floor obligations will end on the effective date of such termination but G1 will pay BI: (A) [***] of the remaining Sales Payments actually achieved during the [***] if such termination notice is provided during the [***] of the Term or (B) [***] of the remaining Sales Payments actually achieved during the [***] if such termination notice is provided after the [***] of the Term; and

(b) if this Agreement is terminated for any reason other than the reasons set forth in Section 11.3.4(a)(i) and Section 11.3.4(a)(ii), then G1's Annual Floor obligations will end on the effective date of such termination and G1 will have no further payment obligations that accrue following such effective date of termination; provided that this Section 11.3.4(b) shall not be construed to limit the amount of damages available to either Party in the event that this Agreement is terminated by a Party for any material breach by the other Party pursuant to Section 11.2.1.

11.3.5 **Survival.** Termination or expiration of this Agreement shall be without prejudice to any rights that shall have accrued to the benefit of any Party prior to such termination or expiration. Notwithstanding any expiration or termination of this Agreement, such expiration or termination shall not relieve any Party from obligations which are expressly or by implication intended to survive expiration or termination, including Sections 2.3, 4.4.2, 5.7, 5.9, 10.1, 10.2, 10.3, 10.4, 11.3 and, Articles 7, 8 and 12 (to the extent applicable to implementation of the survival of the preceding Sections and Articles).

11.3.6 **Transition Plan**. [***] prior to the expiration of this Agreement, each Party shall nominate a transition manager, and the transition managers will work together in good faith to develop a transition plan that facilitates an organized transition of activities performed by BI hereunder to G1 (the "**Transition Plan**"), which Transition Plan shall include the introduction of key customers to G1 and an orientation briefing on customers and accounts by the Oncology Sales Consultants in the Territory. [***] prior to the expiration of this Agreement, the transition managers will submit the Transition Plan to the JPC for approval. [***] prior to the expiration of this Agreement, the Parties will reasonably cooperate to begin implementing the Transition Plan.

ARTICLE 12
MISCELLANEOUS

12.1 **Force Majeure**. Neither Party shall be held liable to the other Party nor be deemed to have defaulted under or breached this Agreement for failure or delay in performing any obligation under this Agreement (other than any failure to make payments owed under this Agreement) to the extent such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party, potentially including, embargoes, war, acts of war (whether war be declared or not), acts of terrorism, insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, fire, floods, or other

acts of God, or acts, omissions or delays in acting by any Governmental Authority. The affected Party shall notify the other Party of such force majeure circumstances as soon as reasonably practicable, and shall promptly undertake all reasonable efforts necessary to cure such force majeure circumstances and re-commence its performance hereunder as soon as practicable.

12.2 **Assignment**. Except as provided in this Section 12.2, this Agreement may not be assigned or otherwise transferred, nor may any rights or obligations hereunder be assigned or transferred, by either Party, without the written consent of the other Party (such consent not to be unreasonably withheld); provided that a merger, sale of stock or comparable transaction shall not constitute an assignment. In the event either Party desires to make such an assignment or other transfer of this Agreement or any rights or obligations hereunder, such Party shall deliver a written notice to the other Party requesting the other Party's written consent in accordance with this Section 12.2, and the other Party shall provide such Party written notice of its determination whether to provide such written consent within [***] following its receipt of such written notice from such Party. Notwithstanding the foregoing, (a) either Party may, without the other Party's consent, assign this Agreement and its rights and obligations hereunder in whole or in part to an Affiliate; and (b) G1 may assign this Agreement to a successor in interest in connection with the sale or other transfer of all or substantially all of such Party's assets or rights relating to the Product; provided that such assignee shall remain subject to all of the terms and conditions hereof in all respects and shall assume all obligations of G1 hereunder whether accruing before or after such assignment. Any permitted assignee shall assume all assigned obligations of its assignor under this Agreement. Any attempted assignment not in accordance with this Section 12.2 shall be void. This Agreement shall be binding on, and inure to the benefit of, each Party, and its permitted successors and assigns.

12.3 **Severability**. If any one or more of the provisions contained in this Agreement is held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affects the substantive rights of the Parties. The Parties shall in such an instance use reasonable efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practical, implement the purposes of this Agreement.

12.4 **Notices**. All notices which are required or permitted hereunder shall be in writing and sufficient if delivered personally, sent by e-mail (and promptly confirmed by personal delivery, registered or certified mail or overnight courier), sent by nationally-recognized overnight courier, or sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

if to G1, to:

G1 Therapeutics, Inc.
700 Park Offices Drive
Suite 200
Research Triangle Park, NC 27709
Attention: Chief Business Officer
E-Mail: [***]

With a copy to:

G1 Therapeutics, Inc.
700 Park Offices Drive
Suite 200

Research Triangle Park, NC 27709
Attention: General Counsel
E-Mail: [***]

if to BI, to: Boehringer Ingelheim Pharmaceuticals, Inc.
900 Ridgebury Road,
Ridgefield, CT 06877
Attention: Senior Vice President of Specialty Care
E-mail: [***]

With a copy to:

Boehringer Ingelheim Pharmaceuticals, Inc.
900 Ridgebury Road,
Ridgefield, CT 06877
Attention: General Counsel
Email: [***]

or to such other address(es) as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith. Any such notice shall be deemed to have been given: (a) when delivered if personally delivered; (b) on the Business Day after dispatch if sent by nationally-recognized overnight courier; or (c) on the fifth (5th) Business Day following the date of mailing, if sent by mail.

12.5 **Governing Law**. This Agreement and any and all matters arising directly or indirectly herefrom shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware applicable to agreements made and to be performed entirely in such state, including its statutes of limitation but without giving effect to the conflict of law principles thereof.

12.6 **Dispute Resolution**. If a dispute arises between the Parties in connection with or relating to this Agreement or any document or instrument delivered in connection herewith that (a) is expressly reserved for resolution pursuant to this Section 12.6 or (b) is outside of the decision-making authority of the JPC pursuant to Section 3.4 (a "**Dispute**"), then the Dispute shall be submitted to and finally settled by binding arbitration by JAMS under its Comprehensive Arbitration Rules and Procedures. A Dispute settled by an arbitrator shall be conducted by [***] arbitrators, each having ten years of experience in the pharmaceutical industry and also shall have served as an arbitrator at least three times prior to their service as an arbitrator in this arbitration. Within [***] of commencement of an arbitration each Party shall select [***] arbitrator and together select a [***] arbitrator who shall serve as a neutral arbitrator. The [***] designated arbitrators shall select a [***] neutral arbitrator within [***] of their selection if the Parties cannot agree on the [***] arbitrator. If the [***] arbitrators cannot agree on selection of a [***] arbitrator within [***] of their appointment, JAMS shall do so in accordance with its rules. The fees of the arbitrator(s) and JAMS shall be paid by the losing Party, which shall be designated by the arbitrator(s). If the arbitrator(s) is unable to designate a losing Party, it shall so state and the fees shall be split equally by the Parties. The arbitrator(s) is hereby empowered to award any monetary remedy allowed by Applicable Law, including money damages, prejudgment interest and attorneys' fees, and to grant final, complete, interim or interlocutor relief, provided the arbitrator(s) shall not be permitted to award any equitable remedies, including injunctive relief. Notwithstanding any provision of this Agreement to the contrary, the Parties reserve the right to (a) pursue actions of equitable remedies, including injunctive relief, exclusively in the federal and state courts located in Wilmington, Delaware, including actions for the purposes of an order to compel arbitration, for preliminary relief in aid of

arbitration and for a injunctive or equitable relief to maintain the status quo or prevent irreparable harm prior to the appointment of the arbitrators, and (b) to pursue actions for the enforcement of any monetary remedy issued pursuant to this Section 12.6 in any court of competent jurisdiction in the Territory.

12.7 **Entire Agreement; Amendments**. This Agreement, together with the Schedules hereto, contains the entire understanding of the Parties with respect to the subject matter hereof. Any other express or implied agreements and understandings, negotiations, writings and commitments, either oral or written, in respect to the subject matter hereof (including the Confidentiality Agreements, but solely with respect to information which is deemed Confidential Information hereunder) are superseded by the terms of this Agreement. The Schedules to this Agreement are incorporated herein by reference and shall be deemed a part of this Agreement. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by authorized representative(s) of both Parties hereto.

12.8 **Headings**. The captions to the several Articles, Sections and subsections hereof are not a part of this Agreement, but are merely for convenience to assist in locating and reading the several Articles and Sections hereof.

12.9 **Independent Contractors**. It is expressly agreed that BI and G1 shall be independent contractors and that the relationship between the two Parties shall not constitute a partnership, joint venture or agency. Neither BI nor G1 shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other Party, without the prior written consent of the other Party.

12.10 **Third Party Beneficiaries**. Except as set forth in ARTICLE 10, no Person other than G1 and BI (and their respective Affiliates and permitted successors and assignees hereunder) shall be deemed an intended beneficiary hereunder or have any right to enforce any obligation of this Agreement.

12.11 **Waiver**. The waiver by either Party hereto of any right hereunder, or of any failure of the other Party to perform, or of any breach by the other Party, shall not be deemed a waiver of any other right hereunder or of any other breach by or failure of such other Party whether of a similar nature or otherwise.

12.12 **Cumulative Remedies**. No remedy referred to in this Agreement is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to in this Agreement or otherwise available under law.

12.13 **Waiver of Rule of Construction**. Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement shall be construed against the drafting Party shall not apply.

12.14 **Use of Names**. Except as otherwise provided herein, neither Party shall have any right, express or implied, to use in any manner the name or other designation of the other Party or any other trade name, trademark or logo of the other Party for any purpose in connection with the performance of this Agreement.

12.15 **Further Actions and Documents**. Each Party agrees to execute, acknowledge and deliver all such further instruments, and to do all such further acts, as may be reasonably necessary or appropriate to carry out the intent and purposes of this Agreement.

12.16 **Certain Conventions**. Any reference in this Agreement to an Article, Section, subsection, paragraph, clause, or Schedule shall be deemed to be a reference to an Article, Section, subsection, paragraph, clause, or Schedule, of or to, as the case may be, this Agreement, unless otherwise indicated. Unless the context of this Agreement otherwise requires, (a) words of any gender include each other gender, (b) words such as "herein", "hereof", and "hereunder" refer to this Agreement as a whole and not merely to the particular provision in which such words appear, (c) words using the singular shall include the plural, and vice versa, (d) whenever any provision of this Agreement uses the term "including" (or "includes"), such term shall be deemed to mean "including without limitation" (or "includes without limitations"), and (e) references to any Articles or Sections include Sections and subsections that are part of the references' Article or Section (e.g., a section numbered "Section 2.2.1" would be part of "Section 2.2", and references to "ARTICLE 2" or "Section 2.2" would refer to material contained in the subsection described as "Section 2.2.1").

12.17 **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile or electronic mail (including pdf) and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes and shall have the same force and effect as original signatures.

[signature page follows]

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

G1 THERAPEUTICS, INC.

By: */s/ Mark Velleca*

Name: Mark Velleca
Title: Chief Executive Officer

BOEHRINGER INGELHEIM PHARMACEUTICALS, INC.

By: */s/ Jean-Michel Boers*

Name: Jean-Michel Boers
Title: President

BOEHRINGER INGELHEIM PHARMACEUTICALS, INC.

By: */s/ Sheila Denton*

Name: Sheila Denton
Title: General Counsel

All exhibits and schedules referred to in this Agreement have been omitted. Copies of any omitted exhibit or schedule will be provided to the U.S. Securities and Exchange Commission upon request.

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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

Date: August 5, 2020

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, Jennifer K. Moses, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

Date: August 5, 2020

By: /s/ Jennifer K. Moses

Jennifer K. Moses
Chief Financial Officer
(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, 2020 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 5, 2020

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, 2020 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 her 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 5, 2020

By: /s/ Jennifer K. Moses
Jennifer K. Moses
Chief Financial Officer
(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.