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

Registration No. 333-

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

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

G1 THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**2834**	**26-3648180**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

79 T.W. Alexander Drive
4501 Research Commons, Suite 100
Research Triangle Park, NC 27709
(919) 213-9835
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Mark A. Velleca, M.D., Ph.D.
President and Chief Executive Officer
G1 Therapeutics, Inc.
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Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this registration statement.

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

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share(2)	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(2)
Common stock, par value $0.0001 per share	3,450,000	$24.13	$83,248,500.00	$10,364.44

(1) Includes 450,000 shares of common stock that the underwriters have the option to purchase.
(2) Estimated solely for the purposes of calculating the amount of the registration fee in accordance with Rule 457(c) under the Securities Act of 1933, as amended, and is based on the average of the high and low sales prices of the registrant's common stock as reported on The Nasdaq Global Select Market on March 2, 2018.

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

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

SUBJECT TO COMPLETION, DATED MARCH 5, 2018

Prospectus

3,000,000 shares

Common stock

This is an offering of 3,000,000 shares of common stock by G1 Therapeutics, Inc.

Our common stock is listed on The Nasdaq Global Select Market under the symbol "GTHX." The last reported sale price of our common stock on The Nasdaq Global Select Market on March 2, 2018 was $25.10 per share. The final public offering price will be determined through negotiation between us and the lead underwriters in the offering and the recent market price used throughout this prospectus may not be indicative of the final offering price.

We are an "emerging growth company" under applicable Securities and Exchange Commission rules and, as such, we are subject to reduced public company reporting requirements.

	Per share	Total
Public offering price	$	$
Underwriting discounts and commissions(1)	$	$
Proceeds to G1 Therapeutics, Inc., before expenses	$	$

(1) We refer you to "Underwriting" on page 140 of this prospectus for additional information regarding total underwriter compensation.

We have granted the underwriters an option for a period of 30 days to purchase up to 450,000 additional shares of common stock.

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 10.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock to investors on or about , 2018.

J.P. Morgan **Cowen**

Needham & Company **Wedbush PacGrow**

BTIG

, 2018

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We have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

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

Prospectus summary

This summary highlights selected information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our common stock, you should carefully read this entire prospectus, including our financial statements and the related notes thereto and the information set forth under the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of this prospectus. Unless the context otherwise requires, we use the terms "G1," "G1 Therapeutics," "Company," "we," "us" and "our" in this prospectus to refer to G1 Therapeutics, Inc.

Overview

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

Product Pipeline

Our product pipeline includes several product candidates with the potential to significantly improve the treatment of patients with cancer. Our two clinical candidates, trilaciclib and G1T38, are based on our core understanding of cyclin-dependent kinases 4 and 6, or CDK4/6, a pair of proteins that play an important role in the growth and proliferation of all human cells. G1T48 is a potential first-in-class oral Selective Estrogen Receptor Degrader, or SERD, which we plan to develop as a single agent and in combination with other agents, including G1T38 for the treatment of ER-positive, or ER+, HER2- breast cancer. We own the global rights to all our product candidates.

G1 Therapeutics Product Pipeline

Candidate	Target	MOA	Clinical Status	Global Rights
trilaciclib	CDK4/6	Short-acting IV CDK4/6 inhibitor Preserves HSPCs, enhances immune system function	Phase 2	
G1T38	CDK4/6	Oral CDK4/6 inhibitor Stops tumor proliferation and growth	Phase 1/2	
G1T48	Estrogen Receptor	Oral Selective Estrogen Receptor Degrader (SERD) Inhibits estrogen receptor driven tumor proliferation	Open IND	

Our CDK4/6 Inhibitor Product Candidates

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

We have leveraged our deep knowledge in CDK4/6 biology to discover and develop two highly potent and selective CDK4/6 inhibitors that may have broad applicability across multiple cancer indications. We believe we are the only company with two distinct clinical-stage CDK4/6 inhibitors, trilaciclib and G1T38, each of which has the potential to be the backbone therapy of multiple combination regimens. Our two CDK4/6 inhibitors were rationally designed to treat distinct patient populations with different combination regimens.

Trilaciclib, a short-acting IV therapy, is in development for combinations with chemotherapy and chemotherapy/checkpoint inhibitor regimens. G1T38, an oral therapy, is in development for combinations with other oral targeted therapies.

Trilaciclib: our novel approach to preserve HSPCs from damage by chemotherapy

Trilaciclib is a potential first-in-class, short-acting CDK4/6 inhibitor which we are developing to be administered intravenously prior to chemotherapy. In preclinical studies, administration of trilaciclib prior to chemotherapy has been shown to induce transient cell-cycle arrest of HSPCs, 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/2a 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 the open label Phase 1b portions of both trials has been completed and preliminary data were reported in 2016 and 2017; response rates and tolerability compared favorably to historical chemotherapy-only trials.

Based on these encouraging preliminary data, we advanced both SCLC trials into the randomized, placebo-controlled, double-blind Phase 2a parts. Enrollment in the first-line SCLC Phase 2a trial was completed in the second quarter of 2017.

On March 5, 2018, we announced positive topline data from the first-line SCLC Phase 2a trial, showing robust myelopreservation benefits. Data from this trial demonstrated that trilaciclib reduced clinically relevant consequences of chemotherapy-induced myelosuppression, when compared to placebo. The data included statistically significant results showing the benefits of trilaciclib in several prospectively defined parameters, including Grade 4 neutropenia, the use of granulocyte colony-stimulating factor, or G-CSF, as a treatment for myelosuppression, and chemotherapy dose reductions and dose delays. In addition, the data showed clinically meaningful results favoring trilaciclib compared to placebo, including febrile neutropenia, Grade 3/4 anemia, and red blood cell transfusions.

Trilaciclib was well tolerated, with no Grade 3/4 trilaciclib-related treatment emergent adverse events, or TEAEs, reported. Baseline demographics and disease characteristics were generally well-balanced between the two arms. Key hematological results are shown in the table below:

Parameter	EP (1) + placebo Patients N=37	EP + trilaciclib Patients N=38	% Reduction	P-Value (2)
Patients with Grade 3/4 Hematologic TEAEs	27 (73.0%)	9 (23.7%)	67.5%	<0.0001
Patients with Grade 3/4 Neutropenia	30 (81.1%)	15 (39.5%)	51.3%	0.0002
Patients with Grade 4 Neutropenia	16 (43.2%)	2 (5.3%)	87.7%	0.0001
Patients with Grade 4 Neutropenia in Cycle 1	13 (35.1%)	1 (2.6%)	92.6%	0.0003
Cycles with Febrile Neutropenia	5	1	80.8%	0.1542
Patients with Febrile Neutropenia	3 (8.1%)	1 (2.6%)	67.9%	0.2773
Patients with GCSF Administration	24 (64.9%)	4 (10.5%)	83.8%	<0.0001
Patients with Chemotherapy Cycle Delays	25 (67.6%)	15 (39.5%)	41.6%	0.0170
Patients with Chemotherapy Dose Reductions	13 (35.1%)	3 (7.9%)	77.5%	0.0033

(1) EP - etoposide and carboplatin

(2) significance testing at two-sided alpha = 0.2 per prospectively defined analysis plan

The trilaciclib arm also showed favorable trends with reduced Grade 3 anemia, red blood cell transfusions, and Grade 3 thrombocytopenia as compared to placebo. There was no Grade 4 anemia or thrombocytopenia in either arm.

In addition to showing myelopreservation benefits across multiple hematopoietic lineages, trilaciclib showed favorable trends versus placebo for overall response rate (ORR) by blinded independent central review (BICR) of 66.7% versus 62.2% for placebo (p=0.6759), duration of response by BICR of 5.7 months versus 4.3 months for placebo (p=0.1449) and median progression free survival (PFS) (investigator, including clinical progression) of 6.2 months versus 5.0 months for placebo (hazard ratio 0.6, p=0.06).

We plan to share these data with U.S. and European regulatory authorities and discuss next steps for the development of trilaciclib. We also plan to present results from this trial, including updated data from the Phase 1b portion, at a medical meeting later this year.

Enrollment in the second-/third-line SCLC Phase 2a trial is expected to be completed in the second quarter of 2018, with unblinded preliminary data (as well as updated Phase 1b data) reported in the fourth quarter of 2018. 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 is expected to be completed in the second quarter of 2018, with preliminary data reported in the fourth quarter of 2018. Finally, as part of our non-exclusive collaboration with Genentech, in 2017 we initiated a randomized, placebo-controlled, double-blind Phase 2 trial of trilaciclib in combination with Tecentriq® (atezolizumab)/carboplatin/etoposide in first-line SCLC patients. We completed enrollment in February 2018; as the primary endpoint of this trial is overall-survival, data read-out is event driven, and is not expected until 2019 or later.

G1T38: Our potential best-in-class CDK4/6 inhibitor for patients with CDK4/6-dependent tumors

G1T38, our second clinical-stage candidate, is a potential best-in-class oral CDK4/6 inhibitor, to be used in combination with other targeted therapies to treat multiple cancers. We rationally designed G1T38 to improve upon and address the shortcomings of the approved CDK4/6 inhibitors Ibrance®, Kisqali® and Verzenio®. Our preclinical data and early human clinical data indicate the potential for continuous daily dosing, less dose-limiting neutropenia, and improved tolerability. A Phase 1 trial of G1T38 in 75 healthy volunteers showed a favorable safety profile, and we initiated a Phase 1b/2a trial in ER+, HER2- breast cancer in January 2017. Our plans for G1T38 include combinations in other cancers, such as non-small cell lung cancer, or NSCLC, where we expect to begin a Phase 1b/2 trial in March 2018 in combination with the epidermal growth factor receptor (EGFR) inhibitor, Tagrisso®. We believe that G1T38 has the potential to be the backbone therapy of multiple combination targeted therapy regimens.

G1T48: Our oral SERD

G1T48 is a potential first/best-in-class oral SERD, which we plan to initially develop as a single agent and in combination with G1T38 for the treatment of ER+, HER2- breast cancer. We believe we are in a unique position as the only emerging biopharmaceutical company with a wholly owned, proprietary combination of a SERD and an oral CDK4/6 inhibitor, a validated regimen in ER+, HER2- breast cancer. Based on compelling preclinical efficacy and safety data, we filed an Investigational New Drug application (IND) with the U.S. Food and Drug Administration (FDA) in the fourth quarter of 2017. With the IND now open, we expect to initiate a clinical trial in the second quarter of 2018.

Our Business Strategy

Our goal is to be a leader in the discovery and development of CDK4/6 inhibitor-based treatments for cancer. Our strategy includes the following key components:

- ***Develop trilaciclib in combination with chemotherapy across multiple indications.*** We believe that trilaciclib has the potential to be used to treat patients receiving myelosuppressive chemotherapy across multiple oncology indications.
- ***Develop trilaciclib in combination with immune checkpoint inhibitors.*** We believe that using trilaciclib in combination with chemotherapy and checkpoint inhibitors has the potential to significantly enhance efficacy. In December 2016, we entered into a collaboration with Genentech to evaluate trilaciclib in combination with Genentech's checkpoint inhibitor Tecentriq in multiple indications.
- ***Develop G1T38 as a best-in-class treatment across multiple cancer indications.*** We believe that G1T38 has the potential for less dose-limiting neutropenia than Ibrance and Kisqali and an improved safety/tolerability profile versus Kisqali and Verzenio. We plan to develop G1T38 across multiple cancer indications, either alone or with one or more strategic collaborators.
- ***Rapidly advance G1T48 into clinical trials in combination with G1T38.*** The use of a selective CDK4/6 inhibitor in combination with a SERD has been validated by the FDA approval and commercial success of Ibrance. With an oral SERD (G1T48) and an oral CDK4/6 inhibitor (G1T38), we believe we are in a unique position as the only emerging biopharmaceutical company with a wholly owned proprietary combination for this validated anti-cancer regimen.
- ***Pursue global development of combination therapies*.** We believe our expertise in CDK4/6 biology puts us in an advantageous position to develop proprietary best-in-combination or first-in-combination therapies with the potential for improved efficacy and safety. We are developing G1T38 to be used in combination with other targeted therapies such as SERDs. The approval of Ibrance has created significant interest in the use of selective CDK4/6 inhibitors in combination with other targeted therapies for the treatment of cancer. Ibrance, Kisqali and the other selective CDK4/6 inhibitor in clinical development are owned by large pharmaceutical companies. As a result, we believe that we are in a strong position to explore collaborative

arrangements with other pharmaceutical and biotechnology companies that are interested in combining their targeted therapies with G1T38.

- ***Build a fully integrated oncology company.*** We plan to commercialize our product candidates on our own in the United States using a small and highly specialized sales force. We may also establish global or regional collaborations with pharmaceutical companies to leverage their development and commercialization capabilities and enable us to maximize the potential of our product candidates.

Risks associated with our business

Our business is subject to a number of risks of which you should be aware before making an investment decision. These risks are discussed more fully in the “Risk Factors” section of this prospectus immediately following this prospectus summary. These risks include the following:

- We have incurred significant operating losses since our inception. We expect to incur losses for the foreseeable future and may never achieve or maintain profitability.
- We will need substantial additional funding. If we are unable to raise capital when needed, we would be compelled to delay, reduce or eliminate our product development programs or commercialization efforts.
- Initial success in our ongoing clinical trials may not be indicative of results obtained when these trials are completed or in later stage trials.
- We are very early in our development efforts. If we are unable to successfully develop and commercialize our product candidates or experience significant delays in doing so, our business will be materially harmed.
- Our development of a CDK4/6 inhibitor is novel, unproven and rapidly evolving and may never lead to a marketable product.
- Clinical drug development involves a lengthy and expensive process, with an uncertain outcome. We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.
- If we are not able to obtain, or if there are delays in obtaining, required marketing approvals, we will not be able to commercialize our product candidates, and our ability to generate revenue will be materially impaired.
- If we experience delays or difficulties in the enrollment of patients in clinical trials, development of our product candidates may be delayed or prevented, which could have a material adverse effect on our business.
- Our product candidates may cause undesirable side effects that could delay or prevent their marketing approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.
- We rely on, and expect to continue to rely on, third parties to conduct our clinical trials for our product candidates. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain marketing approval for or commercialize our product candidates, and our business could be substantially harmed.
- If we are unable to obtain and maintain intellectual property protection for our technology and products, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could commercialize technology and products similar or identical to ours, and our ability to successfully commercialize our technology and products may be impaired.

- If we infringe or are asserted to infringe patents of third parties in the United States or foreign countries in the course of making, using or selling our products, we may be subject to expensive litigation which is time consuming for company employees, and which we may lose. We could be required to settle or pay damages to a third party company for patent infringement if a court determines that we infringe a patent right of a third party, or we could be precluded from making, using, selling or offering to sell our products.

Implications of being an emerging growth company

We are an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012, as amended, or the JOBS Act. We will remain an emerging growth company until the earlier of (1) December 31, 2022 (which is the last day of the fiscal year following the fifth anniversary of the completion of our initial public offering), (2) the last day of the fiscal year in which we have total annual gross revenue of at least $1.07 billion, (3) the last day of the fiscal year in which we are deemed to be a “large accelerated filer” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which would occur if the market value of our common stock held by non-affiliates exceeded $700.0 million as of the last business day of the second fiscal quarter of such fiscal year or (4) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period. An emerging growth company may take advantage of specified reduced reporting requirements and is relieved of certain other significant requirements that are otherwise generally applicable to public companies. As an emerging growth company,

- we may avail ourselves of the exemption from the requirement to obtain an attestation and report from our auditors on the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley;
- we may provide reduced disclosure about our executive compensation arrangements; and
- we may not require stockholder non-binding advisory votes on executive compensation or golden parachute arrangements.

We have chosen to opt out of the extended transition periods available to emerging growth companies under the JOBS Act for complying with new or revised accounting standards. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition periods for complying with new or revised accounting standards is irrevocable.

Our corporate information

We were incorporated under the laws of the State of Delaware in May 2008 under the name “G-Zero Therapeutics, Inc.” In September 2012, we changed our name to “G1 Therapeutics, Inc.” Our principal executive offices are located at 79 T.W. Alexander Drive, 4501 Research Commons, Suite 100, Research Triangle Park, NC 27709, and our telephone number is (919) 213-9835. Our website address is *www.g1therapeutics.com*. The information contained on, or that can be accessed through, our website is not and shall not be deemed to be part of this prospectus. We have included our website address in this prospectus solely as an inactive textual reference. Investors should not rely on any such information in deciding whether to purchase our common stock.

“G1 Therapeutics” and our logo are our trademarks. All other service marks, trademarks and trade names appearing in this prospectus are the property of their respective owners. We do not intend our use or display of other companies’ trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, these other companies.

The offering

Common stock offered by us	3,000,000 shares
Common stock to be outstanding after this offering	31,393,845 shares
Option to purchase additional shares	The underwriters have an option within 30 days of the date of this prospectus to purchase up to 450,000 additional shares of our common stock to cover overallotments, if any.
Use of proceeds	We estimate the net proceeds from this offering will be approximately $70.4 million (or $81.0 million if the underwriters exercise their option to purchase additional shares in full), based upon the assumed public offering price of $25.10 per share, the last reported sale price of our common stock on The Nasdaq Global Select Market on March 2, 2018, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from the offering to fund development of trilaciclib, G1T38 and G1T48, for drug manufacturing expenses, and for working capital and other general corporate purposes. See the "Use of Proceeds" section for additional information.
Risk factors	You should read the "Risk Factors" section of this prospectus beginning on page 10 and other information included in this prospectus for a discussion of factors to consider carefully before deciding to invest in shares of our common stock.
Nasdaq Global Select Market symbol	"GTHX"

The number of shares of our common stock to be outstanding after this offering is based on 28,393,845 shares of our common stock outstanding as of December 31, 2017, and excludes the following:

- 4,116,333 shares of common stock issuable upon the exercise of outstanding stock options as of December 31, 2017, having a weighted-average exercise price of $4.41 per share;
- 1,602,687 shares of common stock reserved for issuance pursuant to future awards under our 2017 Employee, Director and Consultant Equity Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan; and

Except as otherwise indicated, all information contained in this prospectus assumes or gives effect to:

- no exercise by the underwriters of their option to purchase up to an additional 450,000 shares of our common stock in this offering; and
- a one-for-three reverse stock split of our common stock, which became effective on May 11, 2017.

Summary financial data

You should read the following summary financial data together with our financial statements and the related notes appearing at the end of this prospectus and the “Selected Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of this prospectus. We have derived the statement of operations data for the years ended December 31, 2017, 2016 and 2015 and the balance sheet data as of December 31, 2017 from our audited financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of results that should be expected in the future.

	Year Ended December 31,		
	2017	**2016**	**2015**
	(in thousands except share and per share amounts)		
Grant revenue	$ —	$ —	$ 522
Operating expenses			
Research and development	53,881	25,161	12,730
General and administrative	7,087	5,230	3,216
Total operating expenses	60,968	30,391	15,946
Operating loss	(60,968)	(30,391)	(15,424)
Other income (expenses)			
Other income	888	182	18
Change in fair value in warrant liability and other liabilities	(41)	(82)	(85)
Change in fair value in Series B purchase option liability	—	—	(4,772)
Total other income (expense), net	847	100	(4,839)
Net loss	(60,121)	(30,291)	(20,263)
Accretion of redeemable convertible preferred stock(1)	(4,757)	(4,405)	(1,427)
Net loss attributable to common stockholders	$ (64,878)	$ (34,696)	$ (21,690)
Basic and diluted net loss per share(2)	$ (3.57)	$ (23.33)	$ (16.13)
Weighted average shares outstanding, basic and diluted(2)	18,197,970	1,486,986	1,344,584

	As of December 31, 2017	
	Actual	**As adjusted (3) (4)**
	(in thousands)	
Balance Sheet Data:		
Cash, cash equivalents and short term investments	$103,812	$ 174,201
Working capital(5)	92,957	163,346
Total assets	105,171	175,560
Redeemable convertible preferred stock	—	—
Total stockholders’ (deficit) equity	93,388	163,777

(1) Subsequent to our initial public offering in May 2017, our redeemable convertible preferred stock was converted to common stock and no further accretion has been recorded.

(2) See Note 9 to our financial statements appearing elsewhere in this prospectus for further details on the calculation of basic and diluted net loss per share.

(3) The as adjusted balance sheet data give effect to the sale of 3,000,000 shares of common stock by us in this offering, based on an assumed public offering price of $25.10 per share, the last reported sale price of our common stock on The Nasdaq Global Select Market on March 2, 2018, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(4) Each $1.00 increase (decrease) in the assumed public offering price of $25.10 per share, the last reported sale price of our common stock on The Nasdaq Global Select Market on March 2, 2018, would increase (decrease) each of our as adjusted cash, cash equivalents, short-term investments, total assets and total stockholders' equity by approximately $2.8 million, assuming that the number of shares offered by us remains the same and after deducting the estimated underwriting discounts and commissions. Similarly, each increase (decrease) of one million shares in the number of shares offered by us would increase (decrease) each of our as adjusted cash, cash equivalents, short-term investments, total assets and total stockholders' equity by approximately $23.6 million, assuming the assumed public offering price remains the same and after deducting the estimated underwriting discounts and commissions.

(5) We define working capital as current assets less current liabilities.

Risk factors

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including our financial statements and related notes, before deciding whether to invest in our common stock. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that affect us. If any of the following risks occur, our business, operating results and prospects could be materially harmed. In that event, the price of our common stock could decline, and you could lose part or all of your investment.

Risks related to our financial position and need for additional capital

We have incurred significant operating losses since our inception. We expect to incur losses for the foreseeable future and may never achieve or maintain profitability.

We have incurred significant operating losses since our inception. We incurred net losses of $60.1 million for the year ended December 31, 2017, $30.3 million for the year ended December 31, 2016, and $20.3 million for the year ended December 31, 2015. As of December 31, 2017, we had an accumulated deficit of $129.1 million. Our product candidates span a range from preclinical development to Phase 2 clinical trials, and it may be several years, if ever, before we have a product candidate ready for commercialization. To date, we have financed our operations primarily through sales of our preferred and common stock. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. The net losses we incur may fluctuate significantly from quarter to quarter. We anticipate that our expenses will increase substantially if and as we:

- continue development of our product candidates, including initiating additional clinical trials of trilaciclib and G1T38 and initiating clinical trials of our product candidate, G1T48;
- identify and develop new product candidates;
- seek marketing approvals for our product candidates that successfully complete clinical trials;
- establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain marketing approval;
- achieve market acceptance of our product candidates in the medical community and with third-party payors;
- maintain, expand and protect our intellectual property portfolio;
- hire additional personnel;
- enter into collaboration arrangements, if any, for the development of our product candidates or in-license other products and technologies;
- achieve milestones requiring payment under our in-licensing programs;
- add operational, financial and management information systems and personnel, including personnel to support our product development and planned future commercialization efforts; and
- incur increased costs as a result of operating as a public company.

Because of the numerous risks and uncertainties associated with developing pharmaceutical drugs, we are unable to predict the extent of any future losses or when we will become profitable, if at all. In addition, our expenses could increase beyond expectations if we are required by the FDA or foreign regulatory agencies, to perform studies and clinical trials in addition to those that we currently anticipate, or if there are any delays in our or our partners completing clinical trials or the development of any of our product candidates.

To become and remain profitable, we must develop and eventually commercialize a product or products with significant market potential. This will require us to be successful in a range of challenging activities, including the following:

- completing clinical trials of our product candidates that meet their clinical endpoints;
- obtaining marketing approval for our product candidates;
- manufacturing, marketing and selling those products for which we may obtain marketing approval; and
- achieving market acceptance of our product candidates in the medical community and with third-party payors.

We may never succeed in these activities and, even if we do, may never generate revenues that are significant or large enough to achieve profitability. If we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would decrease the value of the company and could impair our ability to raise capital, maintain our discovery and preclinical development efforts, expand our business or continue our operations and may require us to raise additional capital that may dilute your ownership interest. A decline in the value of our company could also cause you to lose all or part of your investment.

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

We are an early-stage biopharmaceutical company. Biopharmaceutical drug development is a highly speculative undertaking and involves a substantial degree of risk. Our operations to date have been limited to organizing and staffing our company, business planning, raising capital, developing our technology, identifying potential product candidates, undertaking preclinical studies, and conducting clinical trials of trilaciclib and G1T38. We have not yet demonstrated our ability to successfully complete large-scale, pivotal clinical trials, obtain marketing approvals, manufacture a commercial scale product, or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful product commercialization. Typically, it takes several years to develop one new drug from the time it is discovered to when it is available for treating patients. In addition, as a new business, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. We will need to transition from a company with a research focus to a company capable of supporting commercial activities. We may not be successful in such a transition.

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

The development of pharmaceutical drugs is capital-intensive. We expect our expenses to increase in parallel with our ongoing activities, particularly as we conduct larger-scale clinical trials of, and seek marketing approval for, our product candidates. In addition, if we obtain marketing approval for any of our product candidates, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution. We may also need to raise additional funds sooner if we choose to pursue additional indications and/or geographies for our product candidates or otherwise expand more rapidly than we presently anticipate. Furthermore, we have incurred and expect to continue to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our clinical programs, development efforts or any future commercialization efforts.

As of December 31, 2017, we had $103.8 million in cash and cash equivalents. We believe that, based upon our current operating plan, our existing capital resources will be sufficient to fund our anticipated operations for greater than 12 months from the date of filing this prospectus. Our future capital requirements and the period for which we expect our existing resources to support our operations may vary significantly from what we expect. Our monthly spending levels vary based on new and ongoing research and development and other corporate activities. Because the length of time and activities associated with successful research and development of our product candidates is highly uncertain, we are unable to estimate the actual funds we will require for development and any approved marketing and commercialization activities. In addition, our future capital requirements will depend on many factors, and could increase significantly as a result of many factors, including:

- the scope, progress, results and costs of preclinical 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 collaboration arrangements for the development of our product candidates on favorable terms, if at all;
- the achievement of milestones or occurrence of other developments that trigger payments under our license agreement and any collaboration agreements into which we may enter, if any;
- the extent to which we are obligated to reimburse, or entitled to reimbursement of, clinical trial costs under future collaboration agreements, if any;
- the extent to which we acquire or in-license product candidates and technologies, such as G1T48, and the terms of such in-licenses;
- the costs of future commercialization activities, including product sales, marketing, manufacturing and distribution, for any of our product candidates for which we receive marketing approval;
- revenue, if any, received from commercial sales of our product candidates, should any of our product candidates receive marketing approval; and
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims.

Conducting preclinical studies and clinical trials is a time-consuming, expensive and uncertain process that can take years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve product sales. In addition, our product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of products that may not be commercially available for several years, if ever. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our product candidates. Volatility in the financial markets have generally made equity and debt financing more difficult to obtain and may have a material adverse effect on our ability to meet our fundraising needs. We cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our stockholders and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our shares to decline.

If we are unable to obtain funding on a timely basis, we may be required to significantly curtail, delay or discontinue one or more of our research or development programs or the commercialization of any product candidate or be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, financial condition and results of operations.

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

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of private and public equity financings, debt financings, collaborations, strategic alliances and licensing arrangements. The sale of additional equity or convertible debt securities would dilute all of our stockholders. The incurrence of indebtedness would result in increased fixed payment obligations, and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights, limitations on declaring dividends and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through collaborations, strategic alliances or licensing arrangements with third parties, and we could be required to do so at an earlier stage than otherwise would be desirable. In connection with any such collaborations, strategic alliances or licensing arrangements, we may be required to relinquish valuable rights to our intellectual property, future revenue streams, research programs or product candidates, grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves, or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects.

Risks related to development of our product candidates

Initial success in our ongoing clinical trials may not be indicative of results obtained when these trials are completed or in later stage trials.

We are currently evaluating trilaciclib in four clinical trials: two Phase 1b/2a trials in patients with small cell lung cancer, or SCLC, an additional Phase 2 trial in combination with Tecentriq in SCLC and a Phase 2 trial in patients with triple-negative breast cancer, or TNBC. While trilaciclib has shown compelling response rates and favorable tolerability in early-stage trials, including the completed Phase 1b segments of the two Phase 1b/2a trials in SCLC and the completed Phase 2a segment of the first-line trial in SCLC, these trials are not complete, and we may not see such favorable data in these ongoing or in future clinical trials involving trilaciclib. Similarly, favorable results obtained from the early-stage trial of G1T38 may not be replicated in the ongoing Phase 1/2 trial in ER+, HER2- breast cancer or in any future clinical trials. Furthermore, there can be no assurance that any of our clinical trials will ultimately be successful or support further clinical development of any of our product candidates. There is a high failure rate for drugs and biologics proceeding through clinical trials. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in clinical development even after achieving promising results in earlier studies, and any such setbacks in our clinical development could have a material adverse effect on our business and operating results.

Preliminary and interim data from our clinical studies, including the Phase 1b segments of our Phase 1b/2a trials of trilaciclib and the Phase 2a segment of our first-line trial of trilaciclib in SCLC, may change as more patient data become available.

Preliminary or interim data from our clinical studies, including those from the Phase 1b segments of our Phase 1b/2a trials of trilaciclib and the Phase 2a segment of our first-line trial of trilaciclib in SCLC, are not necessarily predictive of final results. Preliminary and interim data are subject to the risk that one or more of the clinical outcomes may materially change, as more patient data become available and we issue our final clinical study report. As a result, preliminary and interim data should be viewed with caution until the final data are available. Material adverse changes in the final data compared to the interim data could significantly harm our business prospects.

We are very early in our development efforts. If we are unable to successfully develop and commercialize our product candidates or experience significant delays in doing so, our business will be materially harmed.

We currently do not have any products that have gained marketing approval. We have invested substantially all of our efforts and financial resources identifying and developing our CDK4/6 inhibitor product candidates, trilaciclib and G1T38, and our oral SERD product candidate, G1T48. Our ability to generate product revenues, which may not occur for several years, if ever, will depend on the successful development and eventual commercialization of one or more of our product candidates. We currently generate no revenues from sales of any drugs, and we may never be able to develop or commercialize a marketable drug. Each of our product candidates will require development, management of development and manufacturing activities, marketing approval in multiple jurisdictions, obtaining manufacturing supply, building of a commercial organization, substantial investment and significant marketing efforts before we generate any revenues from drug sales.

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

- execute development activities for our product candidates, including successful enrollment in and completion of clinical trials;
- obtain required marketing approvals for the development and commercialization of our product candidates;
- obtain and maintain patent and trade secret protection and regulatory exclusivity for our product candidates and ensure that we do not infringe the valid patent rights of third parties;
- protect, leverage and expand our intellectual property portfolio;
- establish and maintain clinical and commercial manufacturing capabilities or make arrangements with third-party manufacturers for clinical and commercial manufacturing;
- build and maintain robust sales, distribution and marketing capabilities, either on our own or in collaboration with strategic partners, if our product candidates are approved;
- gain acceptance for our product candidates, if approved, by patients, the medical community and third-party payors;
- compete effectively with other therapies;
- obtain and maintain healthcare coverage and adequate reimbursement;
- maintain a continued acceptable safety profile for our product candidates following approval, if approved;
- develop and maintain any strategic relationships we elect to enter into, if any;

- enforce and defend intellectual property rights and claims; and
- manage our spending as costs and expenses increase due to preclinical development, clinical trials, marketing approvals and commercialization.

If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize our product candidates, which would materially harm our business. If we do not receive marketing approvals for our product candidates, we may not be able to continue our operations.

Our development of a CDK4/6 to reduce chemotherapy-induced myelosuppression is novel, unproven and rapidly evolving and may never lead to a marketable product.

Trilaciclib, is a short-acting intravenous CDK4/6 inhibitor. The use of a CDK4/6 inhibitor to reduce chemotherapy-induced myelosuppression is a novel approach, and we believe that we are the only company currently developing a CDK4/6 inhibitor for this patient population. The scientific evidence to support the feasibility of developing this product candidate is both preliminary and limited. Even though trilaciclib has demonstrated positive results in preclinical studies and early-stage clinical trials, we may not succeed in demonstrating safety and efficacy of trilaciclib in larger-scale clinical trials.

Advancing this novel therapy creates significant challenges for us, including:

- obtaining marketing approval, as the FDA and other regulatory authorities have limited experience with commercial development of a CDK4/6 inhibitor for this type of use;
- educating medical personnel regarding the potential safety benefits, as well as the challenges, of incorporating our product candidates, if approved, into their treatment regimens; and
- establishing sales and marketing capabilities upon obtaining any marketing approval to gain market acceptance of a novel therapy.

If we experience delays or difficulties in the enrollment of patients in clinical trials, development of our product candidates may be delayed or prevented, which would have a material adverse effect on our business.

Identifying and qualifying patients to participate in clinical trials for our product candidates is critical to our success. In particular, because we are initially focused on patients with diseases with genetically defined tumors, our ability to enroll eligible patients may be limited or may result in slower enrollment than we anticipate. We may not be able to initiate or continue clinical trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials. Patient enrollment may be affected by many factors including:

- the severity of the disease under investigation;
- the eligibility criteria for the clinical trial in question;
- the perceived risks and benefits of the product candidate under study;
- the efforts to facilitate timely enrollment in clinical trials;
- the patient referral practices of physicians;
- the availability of competing therapies and clinical trials; and
- the proximity and availability of clinical trial sites for prospective patients.

If we experience delays or difficulties in the enrollment of patients in clinical trials, our clinical trials may be delayed or terminated. Any delays in completing our clinical trials will increase our costs, delay or prevent our product candidate development and approval process, and jeopardize our ability to commence product sales and generate revenue. Any of these occurrences may harm our business, financial condition and prospects significantly.

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

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

We may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to receive marketing approval or commercialize our product candidates. Clinical trials may be delayed, suspended or prematurely terminated because costs are greater than we anticipate or for a variety of reasons, such as:

- delay or failure in reaching agreement with the FDA or a comparable foreign regulatory authority on a trial design that we are able to execute;
- delay or failure in obtaining authorization to commence a trial or inability to comply with conditions imposed by a regulatory authority regarding the scope or design of a clinical trial;
- delays in reaching, or failure to reach, agreement on acceptable terms with prospective trial sites and prospective contract research organizations, or CROs, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- inability, delay, or failure in identifying and maintaining a sufficient number of trial sites, many of which may already be engaged in other clinical programs;
- delay or failure in recruiting and enrolling suitable subjects to participate in a trial;
- delay or failure in having subjects complete a trial or return for post-treatment follow-up;
- clinical sites and investigators deviating from the clinical protocol, failing to conduct the trial in accordance with regulatory requirements, or dropping out of a trial;
- failure to initiate or delay of or failure to complete a clinical trial as a result of an IND being placed on clinical hold by the FDA, or for other reasons;

- lack of adequate funding to continue a clinical trial, including unforeseen costs due to enrollment delays, requirements to conduct additional clinical trials and increased expenses associated with the services of our CROs and other third parties;
- clinical trials of our product candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development programs;
- the number of patients required for clinical trials of our product candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate, or participants may drop out of these clinical trials at a higher rate than we anticipate;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- regulators, or a Data Safety Monitoring Board, or DSMB, if one is used for our clinical trials, may require that we suspend or terminate our clinical trials for various reasons, including noncompliance with regulatory requirements, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, or a finding that the participants are being exposed to unacceptable health risks;
- the supply or quality of our product candidates or other materials necessary to conduct clinical trials of our product candidates may be insufficient;
- the FDA or other regulatory authorities may require us to submit additional data or impose other requirements before permitting us to initiate a clinical trial; or
- there may be changes in governmental regulations or administrative actions.

Many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of marketing approval for our product candidates. Further, the FDA may disagree with our clinical trial design and our interpretation of data from clinical trials or may change the requirements for approval even after it has reviewed and commented on the design for our clinical trials.

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

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

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

Risks related to marketing approval of our product candidates

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

Our product candidates and the activities associated with their development and commercialization, including their design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale, distribution, import and export are subject to comprehensive regulation by the FDA and other regulatory agencies in the United States and by comparable authorities in other countries. These requirements include submissions of safety and other post-marketing information and reports, registration and listing requirements, current good manufacturing practice, or cGMP, requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, including periodic inspections by FDA and other regulatory authorities, requirements regarding the distribution of samples to physicians and recordkeeping. Before we can commercialize any of our product candidates, each such product candidate must be approved by the FDA pursuant to a new drug application, or NDA, in the United States, by the European Medicines Agency, or EMA, pursuant to a marketing authorization application, or MAA, in the European Union, and by similar regulatory authorities outside the United States prior to commercialization.

The process of obtaining marketing approvals, both in the United States and abroad, is expensive and takes several years, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product candidates involved. Failure to obtain marketing approval for a product candidate will prevent us from commercializing the product candidate. We have not received approval to market any of our product candidates from regulatory authorities in any jurisdiction. We have limited experience in planning and conducting the clinical trials required for marketing approvals, and we expect to rely on third-party contract research organizations, or CROs, to assist us in this process. Obtaining marketing approval requires the submission of extensive preclinical and clinical data and supporting information to regulatory authorities for each therapeutic indication to establish the product candidate’s safety and efficacy. Securing marketing approval also requires the submission of information about the product manufacturing process, and in many cases the inspection of manufacturing facilities by the regulatory authorities. Our product candidates may not be effective, may be only moderately effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our obtaining marketing approval or prevent or limit commercial use. Regulatory authorities have substantial discretion in the approval process and may refuse to accept any application or may decide that our data are insufficient for approval and require additional preclinical studies or clinical trials. Our product candidates could be delayed in receiving, or fail to receive, marketing approval for many reasons, including the following:

- the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials;
- we may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that a product candidate is safe and effective for its proposed indication;
- the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that a product candidate’s clinical and other benefits outweigh its safety risks;

- the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from preclinical studies or clinical trials;
- the data collected from clinical trials of our product candidates may not be sufficient to support the submission of an NDA or other submission to obtain marketing approval in the United States or elsewhere;
- third-party manufacturers or our clinical or commercial product candidates may be unable to meet the FDA's cGMP requirements or similar requirements of foreign regulatory authorities; and
- the approval requirements or policies of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

In addition, even if we were to obtain approval, regulatory authorities may approve our product candidates for fewer or more limited indications than we request, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Any of the foregoing scenarios could materially harm the commercial prospects for our product candidates.

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

Our product candidates may cause undesirable side effects that could delay or prevent their marketing approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.

Undesirable side effects caused by our product candidates could cause us or the FDA or other regulatory authorities to interrupt, delay or halt our clinical trials and could result in more restrictive labels or the delay or denial of marketing approval by the FDA or other regulatory authorities of our product candidates. Results of our clinical trials could reveal a high and unacceptable severity and prevalence of these or other side effects. In such an event, our trials could be suspended or terminated, and the FDA or comparable foreign regulatory authorities could order us to cease further development of or deny approval of our product candidates for any or all targeted indications. In addition to this, the drug-related side effects could affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

Further, clinical trials by their nature utilize a sample of the potential patient population. With a limited number of patients, rare and severe side effects of our product candidates may only be uncovered with a significantly larger number of patients exposed to the product candidate. If our product candidates receive marketing approval and we or others identify undesirable side effects caused by such product candidates (or any other similar drugs) after such approval, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw or limit their approval of such product candidates;
- regulatory authorities may require the addition of labeling statements, such as a "boxed" warning or a contraindication;
- we may be required to create a medication guide outlining the risks of such side effects for distribution to patients;
- we may be required to change the way such product candidates are distributed or administered, conduct additional clinical trials or change the labeling of the product candidates;

- regulatory authorities may require a Risk Evaluation and Mitigation Strategy plan to mitigate risks, which could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools;
- we may be subject to regulatory investigations and government enforcement actions;
- we may decide to remove such product candidates from the marketplace after they are approved;
- we could be sued and held liable for injury caused to individuals exposed to or taking our product candidates; and
- our reputation may suffer.

We believe that any of these events could prevent us from achieving or maintaining market acceptance of the affected product candidates and could substantially increase the costs of commercializing our product candidates, if approved, and significantly impact our ability to successfully commercialize our product candidates and generate revenues.

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

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

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

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

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

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

If the FDA or a comparable foreign regulatory authority approves any of our product candidates, activities such as the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for the product will be subject to extensive and ongoing regulatory requirements. The FDA or a comparable foreign regulatory authority may also impose requirements for costly post-marketing preclinical studies or clinical trials and surveillance to monitor the safety or efficacy of the product. The FDA closely regulates the post-approval marketing and promotion of drugs to ensure drugs are marketed only for the approved indications and in accordance with the provisions of the approved labeling. The FDA imposes stringent restrictions on manufacturers' communications regarding use of their products, and if we promote our products beyond their approved indications, we may be subject to enforcement actions or prosecution arising from that off-label promotion. Violations of the Federal Food, Drug, and Cosmetic Act relating to the promotion of prescription drugs may lead to investigations alleging violations of federal and state healthcare fraud and abuse and other laws, as well as state consumer protection laws.

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

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

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

The FDA's policies may change and additional government regulations may be enacted that could prevent, limit or delay marketing approval of our product candidates. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained, which would adversely affect our business, prospects and ability to achieve or sustain profitability.

Our relationships with customers and third-party payors will be subject to applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

Although we do not currently have any drugs on the market, once we begin commercializing our product candidates, we will be subject to additional healthcare statutory and regulatory requirements and enforcement by federal government and the states and foreign governments in the jurisdictions in which we conduct our business. Healthcare providers, physicians and third-party payors will play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our future arrangements with third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute any products for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations include the following:

- the federal Anti-Kickback Statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or paying remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under a federal healthcare program such as Medicare and Medicaid; a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the federal false claims laws impose criminal and civil penalties, including civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government; in addition, the government may assert that a claim including items and services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services; similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the federal physician payment transparency requirements, sometimes referred to as the "Sunshine Act" under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively the ACA, require manufacturers of drugs, devices, biologics and medical supplies that are reimbursable under Medicare, Medicaid, or the Children's Health Insurance Program to report to the Centers for Medicare & Medicaid Services, or CMS, information related to payments and other transfers of value to physicians and teaching hospitals and the ownership and investment interests of physicians and their immediate family members in such manufacturers;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations, which also imposes obligations on certain covered entity healthcare providers,

health plans, and healthcare clearinghouses as well as their business associates that perform certain services involving the use or disclosure of individually identifiable health information, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;

- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers;
- some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government and may require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; and
- state and foreign laws also govern the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, imprisonment, exclusion of products from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. If any of the physicians or other healthcare providers or entities with whom we expect to do business is found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

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

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

In the United States, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, or the MMA, changed the way Medicare covers and pays for pharmaceutical products. The legislation expanded Medicare coverage for drug purchases by the elderly and certain disabled people and introduced a reimbursement methodology based on average sales prices for physician-administered drugs. In addition, this law provided authority for limiting the number of drugs that will be covered in any therapeutic class. Cost reduction initiatives and other provisions of this law and future laws could decrease the coverage and price that we will receive for any approved products. While the MMA only applies to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policy and payment limitations in setting their own payment rates. Therefore, any limitations in reimbursement that results from the MMA may result in reductions in payments from private payors.

In March 2010, the ACA became law. The ACA is a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for the healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms.

Among the provisions of the ACA of importance to our potential product candidates are the following:

- an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic products;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program;
- expansion of healthcare fraud and abuse laws, including the False Claims Act and the Anti-Kickback Statute, new government investigative powers, and enhanced penalties for noncompliance;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices;
- extension of manufacturers' Medicaid rebate liability;
- expansion of eligibility criteria for Medicaid programs;
- expansion of the entities eligible for discounts under the Public Health Service Act's pharmaceutical pricing program;
- new requirements to report financial arrangements with physicians and teaching hospitals;
- a new requirement to annually report drug samples that manufacturers and distributors provide to physicians; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

The current administration supports a repeal of the ACA and an Executive Order has been signed commanding federal agencies to try to waive or delay requirements of the ACA that impose economic or regulatory burdens on states, families, the health-care industry and others. The Executive Order also declares that the administration will seek the "prompt repeal" of the law and that the government should prepare to "afford the States more flexibility and control to create a more free and open healthcare market." At this time, the immediate impact of the Executive Order is not clear. In addition, other legislative changes have been proposed and adopted since the ACA was enacted. These new laws may result in additional reductions in Medicare and other healthcare funding.

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

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

Our future growth may depend, in part, on our ability to penetrate foreign markets, where we would be subject to additional regulatory burdens and other risks and uncertainties.

Our future profitability may depend, in part, on our ability to commercialize our product candidates in foreign markets. In order to market and sell our products in the European Union and many other jurisdictions, we or our third-party collaborators must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and economic areas and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The marketing approval process outside the United States generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside the United States, it is required that the product be approved for reimbursement before the product can be approved for sale in that country. We or these third parties may not obtain approvals from regulatory authorities outside the United States on a timely basis, if at all. Approval by FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by FDA. Additionally, a failure or delay in obtaining marketing approval in one jurisdiction may have a negative effect on the marketing approval process in others. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and greater than, those in the United States, including additional preclinical studies or clinical trials. Obtaining foreign marketing approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our products in certain countries. If we fail to comply with the regulatory requirements in international markets and/or receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed.

We may not be able to file for marketing approvals and may not receive necessary approvals to commercialize our products in any market. If we obtain approval of our product candidates and ultimately commercialize our product candidates in foreign markets, we would be subject to additional risks and uncertainties, including:

- our customers’ ability to obtain reimbursement for our product candidates in foreign markets;
- our inability to directly control commercial activities because we are relying on third parties;
- the burden of complying with complex and changing foreign regulatory, tax, accounting and legal requirements;
- different medical practices and customs in foreign countries affecting acceptance in the marketplace;
- import or export licensing requirements;
- longer accounts receivable collection times;
- longer lead times for shipping;
- language barriers for technical training;
- reduced or no protection on pharmaceutical products or their use in some foreign countries;
- the unwillingness of courts in some foreign jurisdictions to enforce patents even when valid and infringed in that country;
- the possibility of pre-grant or post-grant review proceedings in certain foreign countries that allow a petitioner to hold up patent rights for an extended period or permanently by challenging the patent filing at the patent office of that country;

- the possibility of a compulsory license issued by a foreign country that allows a third-party company or a government to manufacture, use or sell our products with a government-set low royalty to us;
- the existence of additional potentially relevant third-party intellectual property rights;
- foreign currency exchange rate fluctuations; and
- the interpretation of contractual provisions governed by foreign laws in the event of a contract dispute.

Foreign sales of our product candidates could also be adversely affected by the imposition of governmental controls, political and economic instability, trade restrictions and changes in tariffs.

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

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

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

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

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

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

Risks related to our dependence on third parties

We rely on, and expect to continue to rely on, third parties to conduct our clinical trials for our product candidates. If these third parties do not successfully carry out their contractual duties, comply with regulatory

requirements or meet expected deadlines, we may not be able to obtain marketing approval for or commercialize our product candidates, and our business could be substantially harmed.

We do not have the ability to independently conduct clinical trials. We rely on medical institutions, clinical investigators, contract laboratories and other third parties, such as CROs, to conduct or otherwise support clinical trials for our product candidates. We expect to rely heavily on these parties for performance of clinical trials for our product candidates. Nevertheless, we will be responsible for ensuring that each of our clinical trials is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards.

We, our investigators, and our CROs will be required to comply with regulations, including good clinical practice, or GCP, and other related requirements for conducting, monitoring, recording and reporting the results of clinical trials to ensure that the data and results are scientifically credible and accurate, and that the trial patients are adequately informed of the potential risks of participating in clinical trials and their rights are protected. These regulations are enforced by the FDA, the Competent Authorities of the Member States of the European Economic Area and comparable foreign regulatory authorities for any drugs in clinical development. The FDA enforces GCPs through periodic inspections of clinical trial sponsors, principal investigators and trial sites. If we, our investigators or our CROs fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be called into question and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before considering our marketing applications for approval. We cannot assure you that, upon inspection, the FDA will determine that any of our future clinical trials will comply with GCPs.

In addition, our clinical trials must be conducted with product candidates produced under cGMPs. Our failure or the failure of our investigators or CROs to comply with these requirements may require us to repeat clinical trials, which would delay the marketing approval process and could also subject us to enforcement action. We also are required to register certain clinical trials and post the results of such completed clinical trials involving product candidates for which we receive marketing approval on a government-sponsored database, ClinicalTrials.gov, within certain timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

Although we intend to design the clinical trials for our product candidates, CROs will administer all of the clinical trials. As a result, many important aspects of our development programs, including their conduct and timing, will be outside of our direct control. Our reliance on third parties to conduct future clinical trials will also result in less direct control over the management of data developed through clinical trials than would be the case if we were relying entirely upon our own staff. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may:

- have staffing difficulties;
- fail to comply with contractual obligations;
- experience regulatory compliance issues;
- undergo changes in priorities or become financially distressed;
- make errors in the design, management or retention of our data or data systems; and/or
- form relationships with other entities, some of which may be our competitors.

These factors may materially adversely affect the willingness or ability of third parties to conduct our clinical trials and may subject us to unexpected cost increases that are beyond our control. If the CROs do not perform clinical trials in a satisfactory manner, breach their obligations to us or fail to comply with regulatory requirements, the development, marketing approval and commercialization of our product candidates may be delayed, we may not be able to obtain marketing approval and commercialize our product candidates, or our development program may be materially and irreversibly harmed. If we are unable to rely on clinical data collected by our CROs, we could be required to repeat, extend the duration of, or increase the size of any clinical trials we conduct, and this could significantly delay commercialization and require significantly greater expenditures.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, any clinical trials such CROs are associated with may be extended, delayed or terminated, and we may not be able to obtain marketing approval for or successfully commercialize our product candidates. As a result, we believe that our financial results and the commercial prospects for our product candidates in the subject indication would be harmed, our costs could increase and our ability to generate revenue could be delayed.

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

We do not currently own or operate, nor do we have any plans to establish in the future, any manufacturing facilities or personnel. We rely, and expect to continue to rely, on third parties for the manufacture of our product candidates for preclinical studies and clinical trials, as well as for the commercial manufacture of our drugs if any of our product candidates receive marketing approval. This reliance on third parties increases the risk that we will not have sufficient quantities of our product candidates or drugs or such quantities at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts.

The facilities used to manufacture our product candidates must be evaluated by the FDA pursuant to inspections that will be conducted after we submit our marketing applications to the FDA to ensure compliance with cGMP. We do not control the manufacturing process of, and will be completely dependent on, our contract manufacturers for compliance with cGMPs in connection with the manufacture of our product candidates. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the regulatory requirements of the FDA or others, we will not be able to use the products produced at their manufacturing facilities. In addition, we have no control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a comparable foreign regulatory authority finds that these facilities do not comply with cGMP, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain marketing approval for or market our product candidates, if approved. Further, our failure, or the failure of our third party manufacturers, to comply with these or other applicable regulations could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of product candidates or drugs, if approved, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect our business and supplies of our product candidates.

We may be unable to establish any agreements with third-party manufacturers or do so on acceptable terms. Even if we are able to establish agreements with third party manufacturers, reliance on third party manufacturers entails additional risks, including:

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

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

Any performance failure on the part of our existing or future manufacturers could delay clinical development or marketing approval. If our current contract manufacturers cannot perform as agreed, we may be required to replace such manufacturers. Although we believe that there are several potential alternative manufacturers who could manufacture our product candidates, we may incur added costs and delays in identifying and qualifying any such replacement.

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

We, or our third-party manufacturers, may be unable to successfully scale-up manufacturing of our product candidates in sufficient quality and quantity, which would delay or prevent us from developing our product candidates and commercializing approved products, if any.

In order to conduct large-scale clinical trials of our product candidates, we will need to manufacture them in large quantities. We, or any of our manufacturing partners, may be unable to successfully increase the manufacturing capacity for any of our product candidates in a timely or cost-effective manner, or at all. In addition, quality issues may arise during scale-up activities. If we, or any manufacturing partners, are unable to successfully scale up the manufacture of our product candidates in sufficient quality and quantity, the development, testing, and clinical trials of that product candidate may be delayed or infeasible, and regulatory approval or commercial launch of any resulting product may be delayed or not obtained, which could significantly harm our business.

The third parties upon which we rely for the supply of the active pharmaceutical ingredients, formulations, and drug products are our sole sources of supply and have limited capacity, and the loss of any of these suppliers could harm our business.

Some active pharmaceutical ingredients, or APIs, and drug products for our product candidates are supplied to us from single source suppliers with limited capacity. Our ability to successfully develop our product candidates, and to ultimately supply our commercial drugs in quantities sufficient to meet the market demand, depends in part on our ability to obtain the APIs and drug products in accordance with cGMP requirements and in sufficient quantities for clinical trials and commercialization. It is possible that our suppliers of API or drug product which are not dual-sourced could, for any reason, cease their operations.

We do not know whether our suppliers will be able to meet our demand, either because of the nature of our agreements with those suppliers, our limited experience with those suppliers or our relative importance as a customer to those suppliers. It may be difficult for us to assess their ability to timely meet our demand in the future based on past performance. While our suppliers have generally met our demand for their products on a timely basis in the past, they may subordinate our needs in the future to their other customers.

For all of our product candidates, we intend to identify and qualify additional manufacturers to provide API and drug products prior to submission of an NDA to the FDA and/or an MAA to the EMA. Establishing additional or replacement suppliers for APIs and drug products for our product candidates, if required, may not be accomplished quickly. If we are able to find a replacement supplier, such replacement supplier would need to be qualified, or we may have to perform comparative studies comparing the drug product from a new manufacturer to the product used in any completed clinical trials. All of this may require additional regulatory approval, which could result in further delay. While we seek to maintain adequate inventory of APIs and drug product for our product candidates, any interruption or delay in the supply of components or materials, or our inability to obtain such APIs and drug product from alternate sources at acceptable prices in a timely manner could impede, delay, limit or prevent our development efforts, which could harm our business, results of operations, financial condition and prospects.

We may seek to establish additional collaborations, and, if we are not able to establish them on commercially reasonable terms, we may have to alter our development and commercialization plans.

Our drug development programs and the potential commercialization of our product candidates will require substantial additional cash to fund expenses. For some of our product candidates, we may decide to collaborate with pharmaceutical and biotechnology companies for the development and potential commercialization of those product candidates.

We face significant competition in seeking appropriate collaborators. Whether we reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator’s resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator’s evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing drugs and market conditions generally. The proposed collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate. The terms of any collaborations or other arrangements that we may establish may not be favorable to us.

We may also be restricted under existing collaboration agreements from entering into future agreements on certain terms with potential collaborators. Collaborations are complex and time-consuming to negotiate and document. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

We may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of the product candidate for which we are seeking to collaborate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our product candidates or bring them to market and generate drug revenue.

In addition, any collaboration that we enter into may not be successful. The success of our collaboration arrangements will depend heavily on the efforts and activities of our collaborators. Collaborators generally have significant discretion in determining the efforts and resources that they will apply to these collaborations. Any such collaboration may require us to incur non-recurring or other charges, increase our near- and long-term expenditures and pose significant integration or implementation challenges or disrupt our management or business. These transactions would entail numerous operational and financial risks, including exposure to unknown liabilities, disruption of our business and diversion of our management's time and attention in order to manage a collaboration, incurrence of substantial debt or dilutive issuances of equity securities to pay transaction consideration or costs, higher than expected collaboration or integration costs, write-down of assets or goodwill or impairment charges, increased amortization expenses and difficulty and cost in facilitating the collaboration.

Lastly, disagreements between parties to a collaboration arrangement regarding clinical development and commercialization matters can lead to delays in the development process or commercializing the applicable product candidate and, in some cases, termination of the collaboration arrangement. These disagreements can be difficult to resolve if neither of the parties has final decision-making authority. Collaborations with pharmaceutical or biotechnology companies and other third parties often are terminated or allowed to expire by the other party. Any such termination or expiration would adversely affect us financially and could harm our business reputation.

Risks related to the commercialization of our product candidates

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

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

- the timing of our receipt of any marketing approvals;
- the terms of any approvals and the countries in which approvals are obtained;
- the efficacy and safety and potential advantages and disadvantages compared to alternative treatments;
- the prevalence and severity of any side effects associated with our products;
- the indications for which our products are approved;
- adverse publicity about our products or favorable publicity about competing products;
- the approval of other products for the same indications as our products;
- our ability to offer our products for sale at competitive prices;
- the convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;

- the success of our physician education programs;
- the strength of our marketing and distribution support;
- the availability of third-party coverage and adequate reimbursement, including patient cost-sharing programs such as copays and deductibles; and
- any restrictions on the use of our products together with other medications.

If any product we commercialize fails to achieve market acceptance, it could have a material and adverse effect on our business, financial condition, results of operation and prospects.

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

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

Specifically, there are a large number of companies developing or marketing treatments for cancer, including many major pharmaceutical and biotechnology companies. If trilaciclib is approved, it would compete with (a) existing growth factor support treatments, (b) if approved, rovalpituzumab tesirine (Rova-T), an antibody drug conjugate currently being developed by AbbVie for the treatment of patients with SCLC, (c) if approved, the multiple immune checkpoint inhibitors in clinical trials for the treatment of patients with SCLC and TNBC, and (d) multiple approved drugs or drugs that may be approved in the future for indications for which we may develop trilaciclib. If G1T38 is approved, it would compete with (a) Pfizer’s approved CDK4/6 inhibitor, Ibrance, (b) Novartis’s approved CDK4/6 inhibitor, Kisqali, (c) Eli Lilly’s approved CDK4/6 inhibitor, Verzenio, (d) if approved, other non-selective CDK4/6 inhibitor product candidates in clinical development, including product candidates being developed by FLX Bio and OncoMed Pharmaceuticals, and (e) multiple approved drugs or drugs that may be approved in the future for indications for which we may develop G1T38. If G1T48 is approved, it would compete with (a) the approved intramuscular SERD, Faslodex, being marketed by AstraZeneca, (b) if approved, other oral SERDs in development by Radius Health, Genentech, AstraZeneca and Novartis; and (c) multiple approved drugs or drugs that may be approved in the future for indications for which we may develop G1T48.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. Our competitors also may obtain FDA or other marketing approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market and/or slow our marketing approval. Some of the important competitive factors affecting the success of all of our product candidates, if approved, are likely to be their efficacy, safety, convenience, price and the availability of reimbursement from government and other third-party payors.

Many of the companies against which we are competing or against which we may compete in the future have significantly greater financial resources and expertise in research and development, manufacturing, preclinical studies, conducting clinical trials, obtaining marketing approvals and marketing approved products than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller and early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

Even if we are able to commercialize any product candidates, such drugs may become subject to unfavorable pricing regulations or third-party coverage and reimbursement policies, which would harm our business.

The regulations that govern marketing approvals, pricing and reimbursement for new drugs vary widely from country to country. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain marketing approval for a product candidate in a particular country, but then be subject to price regulations that delay our commercial launch of the product candidate, possibly for lengthy time periods, and negatively impact the revenues we are able to generate from the sale of the product candidate in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more product candidates, even if our product candidates obtain marketing approval.

Our ability to commercialize any product candidates successfully also will depend in part on the extent to which coverage and reimbursement for these product candidates and related treatments will be available from government authorities, private health insurers and other organizations. In the United States, the principal decisions about reimbursement for new medicines are typically made by the CMS, an agency within the U.S. Department of Health and Human Services, as CMS decides whether and to what extent a new medicine will be covered and reimbursed under Medicare. Private payors tend to follow CMS to a substantial degree. It is difficult to predict what CMS will decide with respect to reimbursement. Reimbursement agencies in Europe may be more conservative than CMS. For example, a number of cancer drugs are generally covered and paid for in the United States, but have not been approved for reimbursement in certain European countries. A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of payments for particular drugs. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for drugs. We cannot be sure that coverage will be available for any product candidate that we commercialize and, if coverage is available, the level of payments. Reimbursement may impact the demand for, or the price of, any product candidate for which we obtain marketing approval. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any product candidate for which we obtain marketing approval.

In addition to CMS and private payors, professional organizations such as the National Comprehensive Cancer Network and the American Society of Clinical Oncology can influence decisions about reimbursement for new medicines by determining standards of care. In addition, many private payors contract with commercial vendors who sell software that provide guidelines that attempt to limit utilization of, and therefore reimbursement for, certain products deemed to provide limited benefit to existing alternatives. Such organizations may set guidelines that limit reimbursement or utilization of our products.

There may be significant delays in obtaining reimbursement for newly approved drugs, and coverage may be more limited than the purposes for which the drug is approved by the FDA or similar regulatory authorities outside the

United States. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Our inability to promptly obtain coverage and profitable payment rates from both government-funded and private payors for any approved drugs that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize drugs and our overall financial condition.

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

We do not currently have a sales or marketing infrastructure and have limited experience in the sale, marketing or distribution of drugs. To achieve commercial success for any approved product candidate for which we retain sales and marketing responsibilities, we must build our sales, marketing, managerial, and other non-technical capabilities or make arrangements with third parties to perform these services. There are risks involved with both establishing our own sales and marketing capabilities and entering into arrangements with third parties to perform these services. For example, recruiting and training a sales force is expensive and time consuming and could delay any drug launch. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may inhibit our efforts to commercialize our product candidates on our own include:

- our inability to recruit and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to physicians or persuade adequate numbers of physicians to prescribe any future drugs;
- the lack of complementary drugs to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

If we enter into arrangements with third parties to perform sales, marketing and distribution services, our drug revenues or the profitability of these drug revenues to us are likely to be lower than if we were to market and sell any product candidates that we develop ourselves. In addition, we may not be successful in entering into arrangements with third parties to sell and market our product candidates or may be unable to do so when needed or on terms that are favorable to us. We likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our product candidates effectively. If we do not establish sales and marketing capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our product candidates that receive marketing approval or any such commercialization may experience delays or limitations. If we are not successful in commercializing our product candidates, either on our own or through collaborations with one or more third parties, our business, results of operations, financial condition and prospects will be materially adversely affected.

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

We face an inherent risk of product liability exposure related to the evaluation of our product candidates in human clinical trials and will face an even greater risk if we commercially sell any products that we may develop. If we cannot successfully defend ourselves against claims that our product candidates or products caused injuries, we will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

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

We currently hold $10.0 million in product liability insurance coverage in the aggregate, with a per incident limit of $10.0 million, which may not be adequate to cover all liabilities that we may incur. We may need to increase our insurance coverage as we expand our clinical trials or if we commence commercialization of our product candidates. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

Risks related to our intellectual property

If we are unable to obtain and maintain intellectual property protection for our technology and products, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could commercialize technology and products similar or identical to ours, and our ability to successfully commercialize our technology and products may be impaired and, if we infringe the valid patent rights of others, we may be prevented from making, using or selling our products or may be subject to damages or penalties.

Our success depends in large part on our ability to obtain and maintain patents in the United States and other countries that adequately protect our proprietary technology and products. We seek to protect our proprietary position by filing patent applications in the United States and in foreign countries that cover our novel product candidates and their uses, pharmaceutical formulations and dosages, and processes for the manufacture of them. Our patent portfolio currently includes both patents and patent applications.

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

We currently solely own or exclusively license our patents and patent applications and we have the right to control the prosecution of the in-licensed patent applications. In the future, we may choose to in-license additional patents or patent applications from third parties that we conclude are useful or necessary for our business goals. We may not have the right to control the preparation, filing, prosecution or maintenance of such patent applications. Therefore, if we do license additional patents or patent applications in the future, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business.

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

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. On September 16, 2011, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, was signed into law. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted and may also affect patent litigation. The U.S. Patent and Trademark Office, or U.S. PTO, recently developed new regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, and in particular, the first to file provisions, became effective on March 16, 2013. The Leahy-Smith Act also created certain new administrative adversarial proceedings, discussed below. It is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business and financial condition.

The U.S. Supreme Court has issued opinions in patent cases in the last few years that many consider may weaken patent protection in the United States, either by narrowing the scope of patent protection available in certain circumstances, holding that certain kinds of innovations are not patentable or generally otherwise making it easier to invalidate patents in court. Additionally, there have been recent proposals for additional changes to the patent laws of the United States and other countries that, if adopted, could impact our ability to obtain patent protection for our proprietary technology or our ability to enforce our proprietary technology. Depending on future actions by the U.S. Congress, the U.S. courts, the U.S. PTO and the relevant law-making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future.

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

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our owned and licensed patents may be challenged in the courts or patent offices in the United States and in other countries. Such challenges may result in loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and products. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. Likewise, a court could uphold and enforce a third-party patent that it rules we have infringed, which would subject us to damages or prevent us from making, using or selling our products.

During patent prosecution in the United States and in most foreign countries, a third party can submit prior art or arguments to the reviewing patent office to attempt to prevent the issuance of a competitor’s patent. For example, our pending patent applications may be subject to a third-party pre-issuance submission of prior art to the U.S. PTO or an Observation in Europe. Such submission may convince the receiving patent office not to issue the patent. In addition, if the breadth or strength of protection provided by our patents and patent applications is reduced by such third-party submission, it could affect the value of our resulting patent or dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates.

The risks described here pertaining to our patents and other intellectual property rights also apply to any intellectual property rights that we may license in the future, and any failure to obtain, maintain and enforce these rights could have a material adverse effect on our business. In some cases, we may not have control over the prosecution, maintenance or enforcement of the patents that we license, and our licensors may fail to take the steps that we believe are necessary or desirable in order to obtain, maintain and enforce the licensed patents. Any inability on our part to adequately protect or defend our intellectual property may have a material adverse effect on our business, operating results and financial position.

Some intellectual property may have been discovered through government funded programs and thus may be subject to federal regulations such as “march-in” rights, certain reporting requirements and a preference for U.S.-based companies. Compliance with such regulations may limit our exclusive rights, and limit our ability to contract with non-U.S. manufacturers.

Many of our intellectual property rights were generated through the use of U.S. government funding and are therefore subject to certain federal regulations. As a result, the U.S. government may have certain rights to intellectual property embodied in our current or future product candidates pursuant to the Bayh-Dole Act of 1980, or Bayh-Dole Act. These U.S. government rights in certain inventions developed under a government-funded program include a non-exclusive, non-transferable, irrevocable worldwide license to use inventions for any governmental purpose. In addition, the U.S. government has the right, under certain limited circumstances, to require us to grant exclusive, partially exclusive, or non-exclusive licenses to any of these inventions to a third party if it determines that: (i) adequate steps have not been taken to commercialize the invention; (ii) government action is necessary to meet public health or safety needs; or (iii) government action is necessary to meet requirements for public use under federal regulations (also referred to as “march-in rights”). The U.S. government also has the right to take title to these inventions if we fail to disclose the invention to the government or fail to file an application to register the intellectual property within specified time limits. Intellectual property generated under a government funded program is also subject to certain reporting requirements, compliance with which may require us to expend substantial resources. In addition, the U.S. government requires that any products embodying the subject invention or produced through the use of the subject invention be manufactured substantially in the United States. The manufacturing preference requirement can be waived if the owner of the intellectual property can show that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible. This preference for U.S. manufacturers may limit our ability to contract with non-U.S. product manufacturers for products covered by such intellectual property. To the extent any of our current or future intellectual property is generated through the use of U.S. government funding, the provisions of the Bayh-Dole Act may similarly apply.

We may become involved in administrative adversarial proceedings in the U.S. PTO or in the patent offices of foreign countries brought by a third party to attempt to cancel or invalidate our patent rights, which could be expensive, time consuming and cause a loss of patent rights.

The Leahy-Smith Act created for the first time new procedures to challenge issued patents in the United States, including post-grant review and *inter partes* review proceedings, which some third parties have been using to cause the cancellation of selected or all claims of issued patents of competitors. For a patent with a priority date of March 16, 2013 or later, a petition for post-grant review can be filed by a third party in a nine-month window from issuance of the patent. A petition for *inter partes* review can be filed immediately following the issuance of a patent if the patent was filed prior to March 16, 2013. A petition for *inter partes* review can be filed after the nine-month period for filing a post-grant review petition has expired for a patent with a priority date of March 16, 2013 or later. Post-grant review proceedings can be brought on any ground of challenge, whereas *inter partes* review proceedings can only be brought to raise a challenge based on published prior art. These administrative adversarial actions at the U.S. PTO review patent claims without the presumption of validity afforded to U.S. patents in lawsuits in U.S. federal courts, use a lower burden of proof than used by U.S. federal courts, and interpret patent claims using a “broadest reasonable construction” instead of “plain and ordinary meaning,” which is used in court litigation. Because of these differences between U.S. administrative and judicial adversarial patent proceedings, it is generally considered easier for a competitor or third party to have a U.S. patent cancelled in a patent office post-grant review or *inter partes* review proceeding than invalidated in a litigation in a U.S. federal court. If any of our patents are challenged by a third party in such a U.S. patent office proceeding, there is no guarantee that we will be successful in defending the patent, which would result in a loss of the challenged patent right to us.

Opposition or invalidation procedures are also available in most foreign countries. Many foreign authorities, such as the authorities at the European Patent Office, have only post-grant opposition proceedings, however, certain countries, such as India, have both pre-grant and post-grant opposition proceedings. These procedures have been used frequently against pharmaceutical patents in foreign countries. For example, in some foreign countries, these procedures are used by generic companies to hold up an innovator’s patent rights as a means to allow the generic company to enter the market. This activity is particularly prevalent in India, China and South America and may become more prevalent in Africa and other parts of Asia as certain countries reach more established economies. If any of our patents are challenged in a foreign opposition or invalidation proceeding, we could face significant costs to defend our patents, and we may not be successful. Uncertainties resulting from the initiation, continuation or loss of such proceedings could have a material adverse effect on our ability to compete in the market place. Further, in many foreign jurisdictions, the losing party must pay the attorneys’ fees of the winning party, which can be substantial.

We may have to file one or more lawsuits in court to prevent a third party from selling a product or using a product in a manner that infringes our patent, which could be expensive, time consuming and unsuccessful, and ultimately result in the loss of our proprietary market.

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

Because our CDK 4/6 inhibitor candidates are small molecules, after commercialization they will be subject to the patent litigation process of the Hatch Waxman Act, which allows a generic company to submit an Abbreviated New Drug Application, or ANDA, to the FDA to obtain approval to sell our drug using bioequivalence data only. Under the Hatch Waxman Act, since our candidates will be considered new chemical entities, we will have the opportunity to list all of our patents that cover our drug product or its method of use in the FDA's compendium of "Approved Drug Products with Therapeutic Equivalence Evaluation," sometimes referred to as the FDA's Orange Book. A generic company can submit an ANDA to the FDA four years after our drug approval. The submission of the ANDA by a generic company is considered a technical act of patent infringement. The generic company can certify that it will wait until the natural expiration date of our listed patents to sell a generic version of our product or can certify that one or more of our listed patents are invalid, unenforceable, or not infringed. If the latter, we will have 45 days to bring a patent infringement lawsuit against the generic company. This will initiate a challenge to one or more of our Orange Book listed patents based on arguments from the generic company that either our patent is invalid, unenforceable or not infringed. Under the Hatch Waxman Act, if a lawsuit is brought, the FDA is prevented from issuing a final approval on the generic drug until the earlier of seven-and-a-half years from our drug approval or a final decision of a court holding that our asserted patent claims are invalid, unenforceable or not infringed. If we do not properly list our relevant patents in the Orange Book, or timely file a lawsuit in response to a certification from a generic company under an ANDA, or if we do not prevail in the resulting patent litigation, we can lose our proprietary market, which can rapidly become generic. Further, even if we do correctly list our relevant patents in the Orange Book, bring a lawsuit in a timely manner and prevail in that lawsuit, it may be at a very significant cost to us of attorneys' fees and employee time and distraction over a long period. Further, it is common for more than one generic company to try to sell an innovator drug at the same time, and so we may be faced with the cost and distraction of multiple lawsuits. We may also determine it is necessary to settle the lawsuit in a manner that allows the generic company to enter our market prior to the expiration of our patent or otherwise in a manner that adversely affects the strength, validity or enforceability of our patent.

A number of pharmaceutical companies have been the subject of intense review by the U.S. Federal Trade Commission or a corresponding agency in another country based on how they have conducted or settled drug patent litigation, and certain reviews have led to an allegation of an anti-trust violation, sometimes resulting in a fine or loss of rights. We cannot be sure that we would not also be subject to such a review or that the result of the review would be favorable to us, which could result in a fine or penalty.

The U.S. Federal Trade Commission, or FTC, has brought a number of lawsuits in federal court in the past few years to challenge Hatch Waxman ANDA litigation settlements between innovator companies and generic companies as anti-competitive. The FTC has taken an aggressive position that anything of value is a payment, whether money is paid or not. Under their approach, if an innovator as part of a patent settlement agrees not to launch or delay launch of an authorized generic during the 180-day period granted to the first generic company to challenge an Orange Book listed patent covering an innovator drug, or negotiates a delay in entry without payment, the FTC may consider it an unacceptable reverse payment. The biopharmaceutical industry argues that such agreements are rational business decisions to dismiss risk and are immune from antitrust attack if the terms of the settlement are within the scope of the exclusionary potential of the patent. In 2013, the U.S. Supreme Court, in a five-to-three decision in *FTC v. Actavis, Inc.* rejected both the biopharmaceutical industry's and FTC's arguments with regard to so-called reverse payments, and held that whether a "reverse payment" settlement involving the exchange of consideration for a delay in entry is subject to an anticompetitive analysis depends on five considerations: (a) the potential for genuine adverse effects on competition; (b) the justification of payment; (c) the patentee's ability to bring about anticompetitive harm; (d) whether the size of the payment is a workable surrogate for the patent's weakness; and (e) that antitrust liability for large unjustified payments does not prevent litigating parties from settling their lawsuits, for example, by allowing the generic to enter the market before the patent expires without the patentee's paying the generic. Furthermore, whether a reverse payment is justified depends upon its size, its scale in relation to the patentee's anticipated future litigation costs, its independence from other services for which it might represent payment, as was the case in *Actavis*, and the lack of any other convincing justification. The Court held that reverse payment settlements can potentially violate antitrust laws and are subject to the standard antitrust rule-of-reason analysis, with the burden of proving that an agreement is unlawful on the FTC and leaving to lower courts the structuring of such rule of reason analysis. If we are faced with drug patent litigation, including Hatch Waxman litigation with a generic company, we could be faced with such an FTC challenge based on that activity, including how or whether we settle the case, and even if we strongly disagree with the FTC's position, we could face a significant expense or penalty.

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

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

We may not be able to effectively enforce our intellectual property rights throughout the world.

Filing, prosecuting and defending patents on our product candidates in all countries throughout the world would be prohibitively expensive, and therefore we only file for patent protection in selected countries. The requirements for patentability may differ in certain countries, particularly in developing countries. Moreover, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws.

The laws of foreign countries may not protect our rights to the same extent as the laws of the United States. For example, Europe, India, China and certain other countries do not allow patents for methods of treating the human body. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions that do not favor patent protection on drugs. This could make it difficult for us to stop the infringement of our patents or the misappropriation of our other intellectual property rights. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own drugs and, further, may export otherwise infringing drugs to territories where we have patent protection, if our ability to enforce our patents to stop infringing activities is inadequate. These drugs may compete with our product candidates, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Proceedings to enforce our patent rights in foreign jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and resources from other aspects of our business. Furthermore, while we intend to protect our intellectual property rights in the major markets for our product candidates, we cannot ensure that we will be able to initiate or maintain similar efforts in all jurisdictions in which we may wish to market our product candidates. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate.

A number of foreign countries have stated that they are willing to issue compulsory licenses to patents held by innovator companies on approved drugs to allow the government or one or more third party companies to sell the approved drug without the permission of the innovator patentee where the foreign government concludes it is in the public interest. India, for example, has used such a procedure to allow domestic companies to make and sell patented drugs without innovator approval. There is no guarantee that patents covering any of our drugs will not be subject to a compulsory license in a foreign country, or that we will have any influence over if or how such a compulsory license is granted. Further, Brazil allows its regulatory agency ANVISA to participate in deciding whether to grant a drug patent in Brazil, and patent grant decisions are made based on several factors, including whether the patent meets the requirements for a patent and whether such a patent is deemed in the country's interest. In addition, several other countries have created laws that make it more difficult to enforce drug patents than patents on other kinds of technologies. Further, under the treaty on the Trade-Related Aspects of Intellectual Property, or TRIPS, as interpreted by the Doha Declaration, countries in which drugs are manufactured are required to allow exportation of the drug to a developing country that lacks adequate manufacturing capability. Therefore, our drug markets in the United States or foreign countries may be affected by the influence of current public policy on patent issuance, enforcement or involuntary licensing in the healthcare area.

In addition, in November 2015, members of the World Trade Organization, or the WTO, which administers TRIPS, voted to extend the exemption against enforcing pharmaceutical drug patents in least developed countries until 2033. We currently have no patent applications filed in least developed countries, and our current intent is not to file in these countries in the future, at least in part due to this WTO pharmaceutical patent exemption.

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

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

Intellectual property litigation could cause us to spend substantial resources and distract our personnel from their normal responsibilities.

Litigation or other legal proceedings relating to intellectual property claims, with or without merit, is unpredictable and generally expensive and time consuming and is likely to divert significant resources from our core business, including distracting our technical and management personnel from their normal responsibilities. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities.

We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating or from successfully challenging our intellectual property rights. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

If we fail to comply with our obligations under the license agreement with the University of Illinois, we could lose license rights that are necessary for developing and commercializing G1T48.

Our exclusive license with the University of Illinois, or UIC, for technology relating to G1T48 imposes various development, commercialization, royalty payment, diligence and other obligations on us. Specifically, we are required to:

- pay UIC a minimum annual fee and potential milestone payments;
- pay UIC low single-digit royalties on all net sales of products and a share of any sublicensing revenues;
- use commercially reasonable efforts to bring products to market;
- provide financial reports to UIC;
- file, prosecute, defend and maintain patent rights; and
- indemnify UIC against certain claims and maintain insurance coverage.

If we breach any of these obligations, UIC may have the right to terminate the license, which would result in our being unable to develop, manufacture and sell products that are covered by the licensed technology, including G1T48, or in a competitor’s gaining access to the licensed technology.

We may be subject to claims by third parties asserting that our employees or we have misappropriated their intellectual property, or claiming ownership of what we regard as our own intellectual property.

Many of our employees were previously employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that these employees or we have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such employee's former employer. Litigation may be necessary to defend against these claims.

In addition, while it is our policy to require our employees and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own. Our and their assignment agreements may not be self-executing or may be breached, and we may be forced to bring claims against third parties, or defend claims they may bring against us, to determine the ownership of what we regard as our intellectual property.

If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to management.

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

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

Risks related to employee matters, managing growth and other risks related to our business

We currently have a limited number of employees, and our future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel.

We are an early-stage clinical development company, and, as of December 31, 2017, had only 44 employees, which includes five executive officers. We are highly dependent on the research and development, clinical and business development expertise of Mark A. Velleca, M.D., Ph.D., our President and Chief Executive Officer, Rajesh Malik, M.D., our Chief Medical Officer, Barclay Phillips, our Chief Financial Officer, Jay Strum, Ph.D., our Chief Scientific Officer, and Terry Murdock, our Senior Vice President of Development Operations, as well as the other principal members of our management, scientific and clinical team. Although we have entered into employment agreements with our executive officers, each of them may terminate their employment with us at any time. Other than for Dr. Velleca and Dr. Malik, we do not maintain “key person” insurance for any of our executives or other employees. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

Recruiting and retaining qualified scientific, clinical, manufacturing, sales and marketing personnel will also be critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, obtain marketing approval of and commercialize products. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. Failure to succeed in clinical trials may make it more challenging to recruit and retain qualified scientific personnel. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

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

To manage our anticipated development and expansion, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Also, our management may need to divert a disproportionate amount of its attention away from its day-to-day activities and devote a substantial amount of time to managing these development activities. Due to our limited resources, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. This may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. The physical expansion of our operations may lead to significant costs and may divert financial resources from other projects, such as the development of our product candidates. If our management is unable to effectively manage our expected development and expansion, our expenses may increase more than expected, our ability to generate or increase our revenue could be reduced and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize our product candidates, if approved, and compete effectively will depend, in part, on our ability to effectively manage the future development and expansion of our company.

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

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

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

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

Despite the implementation of security measures, our internal computer systems and those of our third-party CROs and other contractors and consultants are vulnerable to damage from cyber-attack, computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. Furthermore, we have little or no control over the security measures and computer systems of our third-party CROs and other contractors and consultants. While we have not experienced any such system failure, accident, or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our programs. For example, the loss of clinical trial data for our product candidates could result in delays in our marketing approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach results in a loss of or damage to our data or applications or other data or applications relating to our technology or product candidates, or inappropriate disclosure of confidential or proprietary information, we could incur liabilities and the further development of our product candidates could be delayed.

Our employees, principal investigators, CROs and consultants may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements and insider trading.

We are exposed to the risk that our employees, principal investigators, CROs and consultants may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violate the regulations of the FDA and other regulatory authorities, including those laws requiring the reporting of true, complete and accurate information to such authorities; healthcare fraud and abuse laws and regulations in the United States and abroad; or laws that require the reporting of financial information or data accurately. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Activities subject to these laws also involve the improper use of information obtained in the course of clinical trials or creating fraudulent data in our preclinical studies or clinical trials, which could result in regulatory sanctions and cause serious harm to our reputation. We have adopted a code of conduct applicable to all of our employees, but it is not always possible to identify and deter misconduct by employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. Additionally, we are subject to the risk that a person could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

We may expend our limited resources to pursue a particular product candidate and fail to capitalize on product candidates that may be more profitable or for which there is a greater likelihood of success.

Because we have limited financial and managerial resources, we focus on specific product candidates. As a result, we may forgo or delay pursuit of opportunities with other product candidates that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable product candidates. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate.

We may acquire businesses or drugs, or form strategic alliances, in the future, and we may not realize the benefits of such acquisitions.

We may acquire additional businesses or drugs, form strategic alliances or create joint ventures with third parties that we believe will complement or augment our existing business. If we acquire businesses with promising markets or technologies, we may not be able to realize the benefit of acquiring such businesses if we are unable to successfully integrate them with our existing operations and company culture. We may encounter numerous difficulties in developing, manufacturing and marketing any new drugs resulting from a strategic alliance or acquisition that delay or prevent us from realizing their expected benefits or enhancing our business. We cannot assure you that, following any such acquisition, we will achieve the expected synergies to justify the transaction.

We or the third parties upon which we depend may be adversely affected by earthquakes or other natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Earthquakes or other natural disasters could severely disrupt our operations and have a material adverse effect on our business, results of operations, financial condition and prospects. If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure, such as the manufacturing facilities of our third-party contract manufacturers, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place may prove inadequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which could have a material adverse effect on our business.

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

On December 22, 2017, President Trump signed into law the “Tax Cuts and Jobs Act,” or Tax Act, that significantly reforms the Internal Revenue Code of 1986, as amended, or the Code. The Tax Act, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest and net operating loss carryforwards, allows for the expensing of capital expenditures, and puts into effect the migration from a “worldwide” system of taxation to a territorial system. We continue to examine the impact this tax reform legislation may have on our business. The impact of this tax reform is uncertain and could be adverse. We urge our stockholders to consult with their legal and tax advisors with respect to such legislation and the potential tax consequences of investing in our common stock.

Risks related to our common stock and this offering

The price of our common stock may be volatile and fluctuate substantially, which could result in substantial losses for purchasers of our common stock in this offering.

If you purchase shares in this offering, you may not be able to resell those shares at or above the public offering price. The trading price of the shares has fluctuated, and is likely to continue to fluctuate substantially. The trading price of our securities depends on a number of factors, including those described in this "Risk Factors" section, many of which are beyond our control and may not be related to our operating performance. In addition, although the shares are listed on The Nasdaq Global Select Market, we cannot assure you that a trading market for those shares will be maintained.

Since the shares were sold at our initial public offering in May 2017 at a price of $15.00 per share, the price per share has ranged as low as $12.04 and as high as $28.67 through March 2, 2018. The market price of shares of our common stock could be subject to wide fluctuations in response to many risk factors listed in this section, and others beyond our control, including:

- results of preclinical and clinical trials of our product candidates, including trilaciclib, G1T38 and G1T48;
- results of clinical trials of our competitors' products;
- regulatory actions with respect to our products or our competitors' products;
- actual or anticipated fluctuations in our financial condition and operating results;
- publication of research reports by securities analysts about us or our competitors or our industry;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- additions and departures of key personnel;
- strategic decisions by us or our competitors, such as acquisitions, collaborations, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- the passage of legislation or other regulatory developments in the United States and other countries affecting us or our industry;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- sales of our common stock by us, our insiders or our other stockholders;
- speculation in the press or investment community;
- announcement or expectation of additional financing efforts;
- changes in accounting principles;
- changes in the structure of healthcare payment systems;

- terrorist acts, acts of war or periods of widespread civil unrest;
- natural disasters and other calamities;
- changes in market conditions for pharmaceutical and biopharmaceutical stocks;
- changes in general market, industry and economic conditions; and
- the other factors described in this “Risk Factors” section.

In addition, the stock market has experienced significant volatility, particularly with respect to pharmaceutical, biotechnology and other life sciences company stocks. The volatility of pharmaceutical, biotechnology and other life sciences company stocks often does not relate to the operating performance of the companies represented by the stock. In the past, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management’s attention and resources, and could also require us to make substantial payments to satisfy judgments or to settle litigation.

Our executive officers, directors and principal stockholders and their affiliates, if they choose to act together, continue to have the ability to exercise significant influence over all matters submitted to stockholders for approval, which will limit your ability to influence corporate matters and could delay or prevent a change in corporate control.

Our executive officers, directors, stockholders who own more than 5% of our outstanding common stock and their respective affiliates, in the aggregate, beneficially own shares representing a majority of our outstanding capital stock, assuming no exercise of the underwriters’ option to acquire additional common stock in this offering. As a result, if these stockholders were to choose to act together, they would be able to influence our management and affairs and the outcome of matters submitted to our stockholders for approval, including the election of directors and any sale, merger, consolidation, or sale of all or substantially all of our assets. These stockholders may have interests with respect to their common stock that are different from those of investors in this offering and the concentration of voting power among these stockholders may have an adverse effect on the price of our common stock. This concentration of ownership control may adversely affect the market price of our common stock by:

- delaying, deferring or preventing a change in control;
- entrenching our management and the board of directors;
- impeding a merger, consolidation, takeover or other business combination involving us that other stockholders may desire; and/or
- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

See the “Principal Stockholders” section of this prospectus for more information regarding the ownership of our outstanding common stock by our executive officers, directors, principal stockholders and their affiliates.

Provisions in our corporate charter documents and under Delaware law could make an acquisition of our company, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our certificate of incorporation and our by-laws may discourage, delay or prevent a merger, acquisition or other change in control of our company that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Although we believe these provisions collectively provide for an opportunity to obtain greater value for stockholders by requiring potential acquirers to negotiate with our board of directors, they would apply even if an offer rejected by our board of directors were considered beneficial by some stockholders. Among other things, these provisions:

- establish a classified board of directors such that only one of three classes of directors is elected each year;
- allow the authorized number of our directors to be changed only by resolution of our board of directors;
- limit the manner in which stockholders can remove directors from our board of directors;
- establish advance notice requirements for stockholder proposals that can be acted on at stockholder meetings and nominations to our board of directors;
- require that stockholder actions must be effected at a duly called stockholder meeting and prohibit actions by our stockholders by written consent;
- limit who may call stockholder meetings;
- authorize our board of directors to issue preferred stock without stockholder approval, which could be used to institute a “poison pill” that would work to dilute the stock ownership of a potential hostile acquirer, effectively preventing acquisitions that have not been approved by our board of directors; and
- require the approval of the holders of at least two-thirds of the voting power of all of the then-outstanding shares of capital stock that would be entitled to vote generally in the election of directors to amend or repeal specified provisions of our certificate of incorporation or by-laws.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner.

Our certificate of incorporation includes a forum selection clause, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us.

Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any stockholder to bring (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or employees to us or to our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or by-laws, or (iv) any action asserting a claim governed by the internal affairs doctrine; in all cases subject to the court’s having personal jurisdiction over the indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the foregoing provisions. This forum selection provision in our certificate of incorporation may limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us. It is also possible that, notwithstanding the forum selection clause included in our certificate of incorporation, a court could rule that such a provision is inapplicable or unenforceable.

If you purchase shares of common stock in this offering, you will suffer substantial and immediate dilution of your investment.

You will suffer immediate and substantial dilution in the net tangible book value of the common stock you purchase in this offering. The public offering price of our common stock is substantially higher than the net tangible book value per share of our common stock. Therefore, if you purchase shares of our common stock in this offering, you will pay a price per share that substantially exceeds our net tangible book value per share after this offering. Based on an assumed public offering price of $25.10 per share, you will experience immediate dilution of $19.88 per share, representing the difference between our net tangible book value per share, after giving effect to this offering, and the public offering price. See the “Dilution” section for a more detailed description of the dilution to new investors in the offering.

If securities or industry analysts do not or do not continue to publish research or reports about our business, or if they publish negative evaluations of our stock or negative reports about our business, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If no or few analysts commence or continue coverage of us, the trading price of our stock would likely decrease. There can be no assurance that analysts will cover us or provide favorable coverage. If one or more of the analysts who covers us downgrades our stock or changes his or her opinion of our stock, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline.

We have broad discretion in the use of the net proceeds from this offering and may not use them effectively, which could affect our results of operations and cause our stock price to decline.

Our management will have broad discretion in the application of the net proceeds from this offering, including for any of the purposes described in the “Use of Proceeds” section of this prospectus and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Our management could spend the net proceeds from this offering in ways that do not improve our results of operations or enhance the value of our common stock. The failure by our management to apply these funds effectively could result in financial losses that could have a material adverse effect on our business, cause the price of our common stock to decline and delay the development of our product candidates. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

A significant portion of our total outstanding shares are eligible to be sold into the market in the near future, which could cause the market price of our common stock to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our common stock in the public market could occur at any time after the expiration of the lock-up agreements described in the “Underwriting” section of this prospectus. These sales, or the market perception that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. After this offering, we will have 31,393,845 shares of common stock outstanding, assuming that we sell the number of shares set forth on the cover page of this prospectus. Shares issued and sold in this offering may be resold in the public market immediately without restriction, unless purchased by our affiliates. A significant portion of our shares outstanding prior to the completion of this offering will be subject to the lock-up agreements described in “Underwriting.” If, after the end of such lock-up agreements, these stockholders sell substantial amounts of our securities in the public market, or the market perceives that such sales may occur, the market price of our shares and our ability to raise capital through an issue of equity securities in the future could be adversely affected. We have also entered into a registration rights agreement pursuant to which we have agreed under specified circumstances to file a registration statement to register the resale of shares of common stock held by some of our existing stockholders, as well as to cooperate in specified public offerings of such shares.

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

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. We will remain an emerging growth company until the earlier of (i) the last day of the fiscal year in which we have total annual gross revenues of $1.07 billion or more; (ii) December 31, 2022 (which is the last day of the fiscal year following the fifth anniversary of the completion of our initial public offering); (iii) the date on which we have issued more than $1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the Securities and Exchange Commission, which means the market value of our common stock that is held by non-affiliates exceeds $700 million as of the prior June 30th. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- providing only two years of audited financial statements in addition to any required unaudited interim financial statements and a correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure in our initial registration statement;
- reduced disclosure obligations regarding executive compensation; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We may choose to take advantage of some, but not all, of the available exemptions. We have taken advantage of reduced reporting burdens in this prospectus. In particular, we have provided only two years of audited financial statements and have not included all of the executive compensation information that would be required if we were not an emerging growth company. We cannot predict whether investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

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

We have incurred and will continue to incur increased costs as a result of operating as a public company, and our management devotes substantial time to new compliance initiatives and corporate governance practices.

As a public company, and particularly after we are no longer an emerging growth company, we have incurred and will continue to incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of The Nasdaq Stock Market and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance.

We are evaluating these rules and regulations, and cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, we will first be required to furnish a report by our management on our internal control over financial reporting for the year ending December 31, 2018. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

Our ability to use our net operating loss carryforwards and certain other tax attributes to offset future taxable income may be limited.

Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, a corporation that undergoes an "ownership change," is subject to limitations on its ability to use its pre-change net operating loss carryforwards, or NOLs, and other pre-change tax attributes (such as research tax credits) to offset its post-change income or taxes. For these purposes, an ownership change generally occurs where the equity ownership of one or more stockholders or groups of stockholders who owns at least 5% of a corporation's stock increases its ownership by more than 50 percentage points over its lowest ownership percentage within a three year period. We may have experienced such ownership changes in the past, and we may experience ownership changes in the future as a result of this offering or subsequent shifts in our stock ownership, some of which are outside the Company's control. These ownership changes may subject our existing NOLs or credits to substantial limitations under Sections 382 and 383. Accordingly, we may not be able to utilize a material portion of our NOLs or credits. As of December 31, 2017, we had federal NOLs of approximately $100.8 million. Limitations on our ability to utilize those NOLs to offset U.S. federal taxable income could potentially result in increased future tax liability to us. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

We do not anticipate paying any cash dividends on our capital stock in the foreseeable future.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. In addition, the terms of any future debt agreements may preclude us from paying dividends. As a result, capital appreciation, if any, of our common stock will be the sole source of gain for our stockholders for the foreseeable future.

Special note regarding forward-looking statements

This prospectus contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts contained in this prospectus are forward-looking statements. In some cases, you can identify forward-looking statements by words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “target,” “will,” “would,” or the negative of these words or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:

- our use of the net proceeds from this offering;
- the accuracy of our estimates regarding expenses, future revenues, capital requirements and our needs for additional financing;
- the initiation, timing, progress and results of our preclinical studies and clinical trials, and our research and development programs;
- our ability to retain the continued service of our key professionals and to identify, hire and retain additional qualified professionals;
- our ability to advance product candidates into, and successfully complete, clinical trials;
- the timing or likelihood of regulatory filing and approvals;
- the commercialization of our product candidates, if approved;
- the pricing and reimbursement of our product candidates, if approved;
- the implementation of our business model, strategic plans for our business, product candidates and technology;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our product candidates and technology;
- our ability to enter into strategic arrangements and/or collaborations and the potential benefits of such arrangements;
- our financial performance; and
- developments relating to our competitors and our industry.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in the “Risk Factors” section and elsewhere in this prospectus. Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this prospectus to conform these statements to new information, actual results or to changes in our expectations, except as required by law.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the Securities and Exchange Commission, or SEC, as exhibits to the registration statement of which this prospectus is a part with the understanding that our actual future results, levels of activity, performance, and events and circumstances may be materially different from what we expect.

This prospectus includes statistical and other industry and market data that we obtained from industry publications and research, surveys and studies conducted by third parties. Industry publications and third-party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information.

Use of proceeds

We estimate that we will receive net proceeds of approximately $70.4 million from the sale of the shares of common stock offered in this offering, assuming a public offering price per share of $25.10, which is the closing price of the shares on The Nasdaq Global Select Market on March 2, 2018, or approximately $81.0 million, if the underwriters exercise their option to purchase additional shares in full, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

A $1.00 increase (decrease) in the assumed public offering price would increase (decrease) the net proceeds to us from this offering by $2.8 million, assuming the number of shares offered by us remains the same, and after deducting the estimated underwriting discounts and commissions. Similarly, each increase or decrease of one million in the number of shares of common stock offered by us would increase (decrease) the net proceeds that we receive from this offering by $23.6 million, assuming that the assumed public offering price remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use the net proceeds from this offering as follows to fund development of trilaciclib, G1T38 and G1T48, for drug manufacturing expenses, and for working capital and other general corporate purposes.

The timing and costs associated with obtaining regulatory approval for a product candidate are highly uncertain and are dependent upon many factors that are beyond our control. Accordingly, we do not believe it is possible at this time to accurately project to what stage of clinical development the proceeds of this offering will allow us to advance our product candidates.

We believe opportunities may exist from time to time to expand our current business through acquisitions or in-licenses of complementary companies, medicines or technologies. While we have no current agreements, commitments or understandings for any specific acquisitions or in-licenses at this time, we may use a portion of the net proceeds for these purposes.

The amounts and timing of our actual expenditures will depend upon numerous factors, including our sales and marketing and commercialization efforts, demand for our drugs, our operating costs and the other factors described under the “Risk Factors” section of this prospectus. Accordingly, our management will have flexibility in applying the net proceeds from this offering. An investor will not have the opportunity to evaluate the economic, financial or other information on which we base our decisions on how to use the proceeds.

Pending their use as described above, we plan to invest the net proceeds in short-term, interest-bearing obligations, investment-grade instruments, certificates of deposit or guaranteed obligations of the U.S. government.

Market price of our common stock

Our common stock has traded on The Nasdaq Global Select Market under the symbol "GTHX" since May 17, 2017. Prior to that time, there was no public market for our common stock. As a result, we have only set forth quarterly information with respect to the high and low sales prices of our common stock for the three most recent fiscal quarters. The following table states the high and low sales prices of our common stock for each of the last three calendar quarters during the year ended December 31, 2017.

	Low	High
Second Quarter 2017 (beginning May 17, 2017)	$13.35	$20.60
Third Quarter 2017	$12.04	$28.67
Fourth Quarter 2017	$18.20	$27.93

The last price of our common stock as reported on The Nasdaq Global Select Market on March 2, 2018 was $25.10 per share.

Holders

As of March 2, 2018, there were approximately 25 stockholders of record of our common stock. Holders of record are defined as those stockholders whose shares are registered in their names in our stock records and do not include beneficial owners of common stock whose shares are held in the names of brokers, dealers or clearing agencies.

Dividend policy

We have never paid cash dividends and do not anticipate paying cash dividends in the foreseeable future. We currently intend to retain earnings, if any, to finance growth and development of our business. Investors should not purchase our common stock with the expectation of receiving cash dividends.

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Capitalization

The following table sets forth our cash, cash equivalents and short-term investments and capitalization as of December 31, 2017 on:

- an actual basis; and
- an as adjusted basis, giving effect to the sale of 3,000,000 shares of common stock by us in this offering, based on an assumed public offering price of $25.10 per share, the last reported sale price of our common stock on The Nasdaq Global Select Market on March 2, 2018, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The as adjusted information set forth in the table below is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

You should read this information together with our audited financial statements and related notes appearing elsewhere in this prospectus and the information set forth under the "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections.

	As of December 31, 2017	
	Actual	**As adjusted (1)**
	(in thousands except for share and per share amounts)	
Cash and cash equivalents	$ 103,812	$ 174,201
Common stock, $0.0001 par value, 120,000,000 shares authorized, actual, 28,420,511 shares issued and 28,393,845 shares outstanding, actual; 120,000,000 shares authorized, as adjusted, 31,420,511 shares issued and 31,393,845 shares outstanding, as adjusted	3	3
Treasury stock	(8)	(8)
Additional paid-in capital	222,511	292,900
Accumulated deficit	(129,118)	(129,118)
Total stockholders' equity	93,388	163,777
Total capitalization	$ 93,388	$ 163,777

(1) The as adjusted information discussed above is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing. A $1.00 increase (decrease) in the assumed public offering price of $25.10 per share, the last reported sale price of our common stock on The Nasdaq Global Select Market on March 2, 2018, would increase (decrease) the amount of cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization on an as adjusted basis by approximately $2.8 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1,000,000 shares offered by us would increase (decrease) cash and cash equivalents, total stockholders' equity and total capitalization on an as adjusted basis by approximately $23.6 million, assuming the assumed public offering price of $25.10 per share, the last reported sale price of our common stock on The Nasdaq Global Select Market on March 2, 2018, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The number of shares of our common stock to be outstanding after this offering excludes the following:

- 4,116,333 shares of common stock issuable upon the exercise of outstanding stock options as of December 31, 2017, having a weighted-average exercise price of $4.41 per share;
- 1,602,687 shares of common stock reserved for issuance pursuant to future awards under our 2017 Employee, Director and Consultant Equity Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan; and

Except as otherwise indicated, all information contained in this prospectus assumes or gives effect to:

- no exercise by the underwriters of their option to purchase up to an additional 450,000 shares of our common stock in this offering; and
- a one-for-three reverse stock split of our common stock, which became effective on May 11, 2017.

Dilution

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

As of December 31, 2017, our historical net tangible book value was $93.4 million, or $3.29 per share of common stock. Our historical net tangible book value per share is equal to our total tangible assets, less total liabilities, divided by the number of outstanding shares of our common stock. After giving effect to the sale of 3,000,000 shares of common stock in this offering, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, at the assumed public offering price of $25.10 per share, our as adjusted net tangible book value as of December 31, 2017 would have been approximately $163.8 million, or approximately $5.22 per share of common stock. This represents an immediate increase in as adjusted net tangible book value of $1.93 per share to our existing stockholders and an immediate dilution of $19.88 per share to investors participating in this offering.

The following table illustrates this per share dilution:

Assumed public offering price per share of our common stock		$25.10
Historical net tangible book value per share of our common stock as of December 31, 2017, before giving effect to this offering	$3.29	
Increase in net tangible book value per share attributable to new investors	$1.93	
As adjusted net tangible book value per share of our common stock after giving effect to this offering		$ 5.22
Dilution per share of common stock to new investors participating in this offering		$19.88

The information discussed above is illustrative only, and the dilution information following this offering will be adjusted based on the actual public offering price and other terms of this offering determined at pricing. A $1.00 increase (decrease) in the assumed public offering price of $25.10 per share, the last reported sale price of our common stock on The Nasdaq Global Select Market on March 2, 2018, would increase (decrease) the as adjusted net tangible book value by $0.09 per share and the dilution to new investors by $0.91 per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase of 1,000,000 shares offered by us would increase the as adjusted net tangible book value by $0.57 per share and decrease the dilution to new investors by $0.57 per share, assuming the assumed public offering price of $25.10 per share, the last reported sale price of our common stock on The Nasdaq Global Select Market on March 2, 2018, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us. Similarly, a decrease of 1,000,000 shares offered by us would decrease the as adjusted net tangible book value by $0.60 per share and increase the dilution to new investors by $0.60 per share, assuming the assumed public offering price of $25.10 per share, the last reported sale price of our common stock on The Nasdaq Global Select Market on March 2, 2018, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us.

If the underwriters exercise their option to purchase additional shares in full, the as adjusted net tangible book value as of December 31, 2017 will increase to $186.2 million, or $5.48 per share, representing an increase to existing stockholders of $2.19 per share, and there will be an immediate dilution of $19.62 per share to new investors.

The following table summarizes as of December 31, 2017, on the as adjusted basis as described above, the differences between the number of shares of common stock purchased from us, the total consideration and the average price per share paid by existing stockholders and by investors participating in this offering, before deducting the estimated underwriting discounts and commissions and estimated offering expenses, at the assumed public offering price of $25.10 per share.

	Shares Purchased		Total consideration		Average price/ share
	Number	Percent	Amount	Percent	
Existing stockholders	28,393,845	90.4%	$ 213,898,960	74.0%	$ 7.53
Investors participating in this offering	3,000,000	9.6%	$ 75,300,000	26.0%	$ 25.10
Total	31,393,845	100%	$ 289,198,960	100%	$ 9.21

The table above assumes no exercise of the underwriters' option to purchase additional shares in this offering. If the underwriters' option to purchase additional shares is exercised in full, the number of shares of our common stock held by existing stockholders would be reduced to 89.2% of the total number of shares of our common stock outstanding after this offering, and the number of shares of common stock held by new investors participating in the offering would be increased to 10.8% of the total number of shares of our common stock outstanding after this offering.

The number of shares of our common stock to be outstanding after this offering is based on 28,393,845 shares of our common stock outstanding as of December 31, 2017, and excludes the following:

- 4,116,333 shares of common stock issuable upon the exercise of outstanding stock options as of December 31, 2017, having a weighted-average exercise price of $4.41 per share;
- 1,602,687 shares of common stock reserved for issuance pursuant to future awards under our 2017 Employee, Director and Consultant Equity Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan; and

Except as otherwise indicated, all information contained in this prospectus assumes or gives effect to:

- no exercise by the underwriters of their option to purchase up to an additional 450,000 shares of our common stock in this offering; and
- a one-for-three reverse stock split of our common stock, which became effective on May 11, 2017.

To the extent that any options or warrants are exercised, new options or other securities are issued under our equity incentive plans, or we issue additional shares of common stock in the future, there will be further dilution to investors participating in this offering. In addition, we may choose to raise additional capital because of market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans. If we raise additional capital through the sale of equity or convertible debt securities, the issuance of such securities could result in further dilution to our stockholders.

Selected financial data

You should read the following selected financial data together with our financial statements and the related notes appearing at the end of this prospectus and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of this prospectus. We have derived the statement of operations data for the years ended December 31, 2017, 2016 and 2015, and the balance sheet data as of December 31, 2017 and 2016, from our audited financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that should be expected in the future.

	Year Ended December 31,		
	2017	2016	2015
	(in thousands except share and per share amounts)		
Grant revenue	$ —	$ —	$ 522
Operating expenses			
Research and development	53,881	25,161	12,730
General and administrative	7,087	5,230	3,216
Total operating expenses	60,968	30,391	15,946
Operating loss	(60,968)	(30,391)	(15,424)
Other income (expenses)			
Other income	888	182	18
Change in fair value in warrant liability and other liabilities	(41)	(82)	(85)
Change in fair value in Series B purchase option liability	—	—	(4,772)
Total other income (expense), net	847	100	(4,839)
Net loss	(60,121)	(30,291)	(20,263)
Accretion of redeemable convertible preferred stock(1)	(4,757)	(4,405)	(1,427)
Net loss attributable to common stockholders	$ (64,878)	$ (34,696)	$ (21,690)
Basic and diluted net loss per share(2)	$ (3.57)	$ (23.33)	$ (16.13)
Weighted average shares outstanding, basic and diluted(2)	18,197,970	1,486,986	1,344,584

	As of December 31,	
	2017	2016
	(in thousands)	
Balance Sheet Data:		
Cash, cash equivalents and short term investments	$103,812	$ 47,305
Working capital(3)	92,957	42,276
Total assets	105,171	48,212
Redeemable convertible preferred stock	—	107,580
Total stockholders' (deficit) equity	93,388	(64,993)

(1) Subsequent to our initial public offering in May 2017, our redeemable convertible preferred stock was converted to common stock and no further accretion has been recorded.

(2) See Note 9 to our financial statements appearing elsewhere in this prospectus for further details on the calculation of basic and diluted net loss per share.

(3) We define working capital as current assets less current liabilities.

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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 the "Selected Financial Data" section and our financial statements and related notes included elsewhere in this prospectus. This discussion and other parts of this prospectus contain forward-looking statements that involve risk 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 this prospectus, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

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

Product Pipeline

Our product pipeline includes several product candidates with the potential to significantly improve the treatment of patients with cancer. Our two clinical candidates, trilaciclib and G1T38, are based on our core understanding of cyclin-dependent kinases 4 and 6, or CDK4/6, a pair of proteins that play an important role in the growth and proliferation of all human cells. G1T48 is a potential first-in-class oral Selective Estrogen Receptor Degrader, or SERD, which we plan to develop as a single agent and in combination with other agents, including G1T38 for the treatment of ER-positive, or ER+, HER2- breast cancer. We own the global rights to all our product candidates.

G1 Therapeutics Product Pipeline

Candidate	Target	MOA	Clinical Status	Global Rights
trilaciclib	CDK4/6	Short-acting IV CDK4/6 inhibitor Preserves HSPCs, enhances immune system function	Phase 2	G1 THERAPEUTICS
G1T38	CDK4/6	Oral CDK4/6 inhibitor Stops tumor proliferation and growth	Phase 1/2	G1 THERAPEUTICS
G1T48	Estrogen Receptor	Oral Selective Estrogen Receptor Degrader (SERD) Inhibits estrogen receptor driven tumor proliferation	Open IND	G1 THERAPEUTICS

Trilaciclib: our novel approach to preserve HSPCs from damage by chemotherapy

Trilaciclib is a potential first-in-class, short-acting CDK4/6 inhibitor which we are developing to be administered intravenously prior to chemotherapy. In preclinical studies, administration of trilaciclib prior to chemotherapy has been shown to induce transient cell-cycle arrest of HSPCs, 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.

Ongoing Phase 1b/2a clinical trial in first-line treatment of SCLC

In 2015, we initiated a Phase 1b/2a clinical trial in first-line extensive-stage SCLC patients across multiple sites in the United States and Europe. The Phase 1b segment of the trial was designed to confirm the trilaciclib dose to be used in the randomized, placebo-controlled Phase 2a segment. The goals of the trial are to evaluate the safety, myelopreservation, pharmacokinetics, and anti-tumor activity of trilaciclib in combination with the existing first-line chemotherapy standard of care regimen of etoposide and carboplatin and to confirm the dose to be used in future trials. All patients in the Phase 1b segment were administered three-week cycles of trilaciclib plus etoposide/carboplatin, with an estimated four to six cycles administered in total per patient based on historical practice. Trilaciclib was administered as an IV infusion prior to every dose of etoposide/carboplatin.

In the Phase 1b section of this trial, as reported at the American Society of Clinical Oncology meetings in June 2017, we treated 19 patients with multiple cycles of trilaciclib and chemotherapy and did not have a single episode of febrile neutropenia – one of the most common adverse consequences of these chemotherapy regimens. We also observed a dose dependent reduction in grade 3/4 hematologic adverse events. The results from the Phase 1b study support the hypothesis that trilaciclib could ameliorate the significant acute and long-term consequences of chemotherapy-induced myelosuppression by preserving hematopoietic and immune system function. Based on these results, we initiated the randomized, placebo-controlled Phase 2a segment of the trial in fourth-quarter of 2016 with a trilaciclib dose of 240 mg/m^2 and completed enrollment of a total of 77 patients in the second quarter of 2017.

On March 5, 2018, we announced positive topline data from the first-line SCLC Phase 2a trial, showing robust myelopreservation benefits. Data from this trial demonstrated that trilaciclib reduced clinically relevant consequences of chemotherapy-induced myelosuppression, when compared to placebo. The data included statistically significant results showing the benefits of trilaciclib in several prospectively defined parameters, including Grade 4 neutropenia, the use of granulocyte colony-stimulating factor, or G-CSF, as a treatment for myelosuppression, and chemotherapy dose reductions and dose delays. In addition, the data showed clinically meaningful results favoring trilaciclib compared to placebo, including febrile neutropenia, Grade 3/4 anemia, and red blood cell transfusions.

Trilaciclib was well tolerated, with no Grade 3/4 trilaciclib-related treatment emergent adverse events, or TEAEs, reported. Baseline demographics and disease characteristics were generally well-balanced between the two arms. Key hematological results are shown in the table below:

Parameter	EP (1) + placebo Patients N=37	EP + trilaciclib Patients N=38	% Reduction	P-Value (2)
Patients with Grade 3/4 Hematologic TEAEs	27 (73.0%)	9 (23.7%)	67.5%	<0.0001
Patients with Grade 3/4 Neutropenia	30 (81.1%)	15 (39.5%)	51.3%	0.0002
Patients with Grade 4 Neutropenia	16 (43.2%)	2 (5.3%)	87.7%	0.0001
Patients with Grade 4 Neutropenia in Cycle 1	13 (35.1%)	1 (2.6%)	92.6%	0.0003
Cycles with Febrile Neutropenia	5	1	80.8%	0.1542
Patients with Febrile Neutropenia	3 (8.1%)	1 (2.6%)	67.9%	0.2773
Patients with GCSF Administration	24 (64.9%)	4 (10.5%)	83.8%	<0.0001
Patients with Chemotherapy Cycle Delays	25 (67.6%)	15 (39.5%)	41.6%	0.0170
Patients with Chemotherapy Dose Reductions	13 (35.1%)	3 (7.9%)	77.5%	0.0033

(1) EP - etoposide and carboplatin

(2) significance testing at two-sided alpha = 0.2 per prospectively defined analysis plan

The trilaciclib arm also showed favorable trends with reduced Grade 3 anemia, red blood cell transfusions, and Grade 3 thrombocytopenia as compared to placebo. There was no Grade 4 anemia or thrombocytopenia in either arm.

In addition to showing myelopreservation benefits across multiple hematopoietic lineages, trilaciclib showed favorable trends versus placebo for overall response rate (ORR) by blinded independent central review (BICR) of 66.7% versus 62.2% for placebo (p=0.6759), duration of response by BICR of 5.7 months versus 4.3 months for placebo (p=0.1449) and median progression free survival (PFS) (investigator, including clinical progression) of 6.2 months versus 5.0 months for placebo (hazard ratio 0.6, p=0.06).

We plan to share these data with U.S. and European regulatory authorities and discuss next steps for the development of trilaciclib. We also plan to present results from this trial, including updated data from the Phase 1b portion, at a medical meeting later this year.

Ongoing Phase 1b/2a clinical trial in second/third-line treatment of SCLC

In 2015, we initiated a Phase 1b/2a clinical trial in second/third-line SCLC patients across multiple sites in the United States and Europe. The Phase 1b segment of the trial was designed to confirm the trilaciclib dose to be used in the randomized, placebo-controlled Phase 2a segment of the trial. The goals of the trial are to evaluate the safety, myelopreservation, PK, and anti-tumor activity of trilaciclib in combination with the existing second/third-line chemotherapy standard of care regimen of topotecan and to confirm the dose to be used in future trials. All patients in the Phase 1b segment were administered three-week cycles of trilaciclib plus topotecan until the progression of disease. Trilaciclib was administered as an IV infusion prior to every dose of topotecan. Trilaciclib doses of 200 to 280 mg/m^2 and topotecan doses of 0.75 to 1.5 mg/m^2 were tested across 7 cohorts in the completed Phase 1b open-label segment of the trial. Upon completion of the Phase 1b segment of the trial, the doses chosen for the randomized, placebo-controlled Phase 2a segment of this trial are trilaciclib 240 mg/m^2 + topotecan 0.75 mg/m^2 and trilaciclib 240 mg/m^2 + topotecan 1.5 mg/m^2.

In the Phase 1b segment we treated 32 patients with trilaciclib and topotecan without any episodes of febrile neutropenia or treatment related SAEs. Preliminary results from the Phase 1b were reported at the IASCLC World Conference on Lung Cancer in December 2016, and based on these results the Phase 2a segment of the trial was initiated in the first quarter of 2017 and consists of a double blind-design with approximately 90 patients randomized on a 2:1 basis to receive trilaciclib plus topotecan, or placebo plus topotecan. We plan to complete enrollment in this trial in the second quarter of 2018. We expect to update the data from the Phase 1b segment of the trial and to report preliminary data from the Phase 2a segment of the trial in the fourth quarter of 2018.

Ongoing Phase 2 clinical trial in Triple Negative Breast Cancer (TNBC)

In January 2017, we initiated an open label, randomized, Phase 2 trial that is expected to enroll approximately 90 patients with first, second or third-line metastatic TNBC across multiple sites in the United States and Europe. The goals of the clinical trial are to evaluate the safety, myelopreservation, PK, and anti-tumor activity of trilaciclib in combination with the existing chemotherapy standard of care regimen of gemcitabine and carboplatin. We expect to fully enroll this trial in the second-quarter of 2018 and report preliminary data in the fourth-quarter of 2018.

Ongoing Phase 2 clinical trial in first-line treatment of SCLC with a checkpoint inhibitor

In December 2016, we entered into a non-exclusive agreement with Genentech to evaluate the combination of Genentech’s immune checkpoint, anti-PD-L1 antibody Tecentriq with trilaciclib. Our first trial under the agreement is in first-line treatment for patients with extensive stage SCLC receiving carboplatin and etoposide. We initiated enrollment in this randomized, double-blinded, placebo-controlled Phase 2 trial in the second quarter of 2017. The goals of the clinical trial are to evaluate the safety, overall survival, myelopreservation, PK, and anti-tumor activity of trilaciclib in combination with a checkpoint inhibitor Tecentriq and chemotherapy. We completed enrollment in the first quarter of 2018.

G1T38: Our potential best-in-class CDK4/6 inhibitor for patients with CDK4/6-dependent tumors

G1T38, our second clinical-stage candidate, is a potential best-in-class oral CDK4/6 inhibitor, to be used in combination with other targeted therapies to treat multiple cancers. We rationally designed G1T38 to improve upon and address the shortcomings of the approved CDK4/6 inhibitors Ibrance®, Kisqali® and Verzenio®. Our preclinical data and early human clinical data indicate the potential for continuous daily dosing, less dose-limiting neutropenia, and improved tolerability. A Phase 1 trial of G1T38 in 75 healthy volunteers showed a favorable safety profile, and we initiated a Phase 1b/2a trial in ER+, HER2- breast cancer in January 2017. Our plans for G1T38 include combinations in other cancers, such as non-small cell lung cancer, or NSCLC, where we expect to begin a Phase 1b/2 trial in March 2018 in combination with the epidermal growth factor receptor (EGFR) inhibitor, Tagrisso®. We believe that G1T38 has the potential to be the backbone therapy of multiple combination targeted therapy regimens.

Completed Phase 1 clinical trial

In the fourth quarter of 2016, we completed a Phase 1 clinical trial of G1T38 in 75 healthy volunteers in the Netherlands. This was a single ascending dose, placebo-controlled trial testing doses of 3 to 600 mg. In addition, G1T38 was dosed at 200 and 300 mg twice a day, 300 mg with and without food, and 300 mg as an oral solution. The goals of the clinical trial were to obtain PK and safety data to inform appropriate starting dose(s) for studies in patients. There were no DLTs, SAEs, or grade 3/4 AEs reported in this study. The most common grade 1/2 AEs were gastrointestinal in nature (such as diarrhea, nausea or vomiting). A fed/fasted cohort demonstrated that taking G1T38 after a meal did not result in any nausea and that food had no effect on PK. Therefore, we plan to dose G1T38 with food in all upcoming studies.

Ongoing Phase 1b/2a clinical trial in ER+, HER2- breast cancer

In January 2017, we initiated a Phase 1b/2a trial in ER+, HER2- breast cancer patients in combination with Faslodex®, an FDA-approved SERD. The trial is expected to enroll up to 100 patients in Europe. The goals of the clinical trial are to evaluate the safety, PK, and anti-tumor activity of G1T38 in combination with Faslodex and to determine the dose to be used in future trials. The Phase 1b segment of the trial is open-label and consists of two arms, with G1T38 dosed continuously without a holiday, either once a day or twice a day in combination with Faslodex. Once the dose and schedule have been determined, the Phase 2a segment will enroll approximately 30 patients at the recommended G1T38 dose and schedule in combination with Faslodex. All patients in the trial are being administered G1T38 orally continuously without a treatment holiday and IM Faslodex per the label. Tumor lesions are being assessed under RECIST criteria by CT scans or MRI every 8 weeks.

Early clinical data from the first 24 patients enrolled in the trial suggest that G1T38 may be able to address the shortcomings of the other CDK4/6 inhibitors. G1T38 has a shorter half-life and larger volume of distribution than Ibrance and Kisqali and is not expected to show drug accumulation. All of the enrolled patients had a decline in neutrophil counts, which is expected and due to a mechanism-based decrease in neutrophil production caused by G1T38, which also occurs with other CDK4/6 inhibitors such as Ibrance and Kisqali. No cardiovascular or liver side effects have been reported so far and there have been no G1T38-related SAEs. The incidence of GI AEs reported so far are similar to Ibrance and Kisqali and less than Verzenio. These early clinical data indicate the potential for continuous daily dosing of G1T38 without a holiday in combination with Faslodex, and the potential for improved tolerability compared to other CDK4/6 inhibitors.

G1T48: Our oral SERD

G1T48, is a potential first/best in-class oral SERD, which we plan to initially develop as a single agent and in combination with G1T38 for the treatment of ER+, HER2- breast cancer. We believe we are in a unique position as the only emerging biopharmaceutical company with a wholly owned, proprietary combination of a SERD and an oral CDK4/6 inhibitor, a validated regimen in ER+, HER2- breast cancer. Based on compelling preclinical efficacy and safety data, we filed an Investigational New Drug application (IND) with the U.S. Food and Drug Administration (FDA) in the fourth quarter of 2017. With the IND now open, we expect to initiate a clinical trial in the second quarter of 2018.

We plan to initiate a Phase 1/2a clinical trial in the second quarter of 2018 with the goal of evaluating the safety, tolerability and PK of the drug in breast cancer patients.

Financial Overview

Since our inception in 2008, we have devoted substantially all of our resources to synthesizing, acquiring, testing and developing our product candidates, including conducting preclinical studies and clinical trials and providing general and administrative support for these operations as well as securing intellectual property protection for our product candidates. We do not have any products approved for sale and have not generated any revenues from product sales. We recorded $0 million, $0 million and $0.5 million of revenue for the years ended December 31, 2017, 2016 and 2015, respectively. We do not expect to generate revenue in the foreseeable future. To date, we have financed our operations primarily through the IPO and private placements of convertible debt and equity securities. From inception through December 31, 2017, we raised an aggregate of $213.9 million to fund our operations.

On May 22, 2017, we closed our IPO of 7,781,564 shares of common stock at a public offering price of $15 per share, including 781,564 shares of common stock issued upon exercise by the underwriters of their option to purchase additional shares. The gross proceeds from the IPO were $116.7 million and net proceeds were $107.1 million, after deducting underwriting discounts and commissions and other offering expenses payable by us.

As of December 31, 2017, we had cash and cash equivalents of $103.8 million. Since inception, we have incurred net losses. Our net losses were $60.1 million, $30.3 million and $20.3 million for the years ended December 31, 2017, 2016 and 2015, respectively. As of December 31, 2017, we had an accumulated deficit of $129.1 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 for the foreseeable future. We expect our expenses will increase substantially in connection with our ongoing activities as we:

- continue development of our product candidates, including initiating additional clinical trials of trilaciclib and G1T38 and completing preclinical studies and potentially initiating clinical trials of our preclinical-stage product candidate, G1T48;
- identify and develop new product candidates;
- seek marketing approvals for our product candidates that successfully complete clinical trials;

- establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain marketing approval;
- achieve market acceptance of our product candidates in the medical community and with third-party payors;
- maintain, expand and protect our intellectual property portfolio;
- hire additional personnel;
- enter into collaboration arrangements, if any, for the development of our product candidates or in-license other products and technologies;
- add operational, financial and management information systems and personnel, including personnel to support our product development and planned future commercialization efforts; and
- incur increased costs as a result of operating as a public company.

License agreement with the University of Illinois

In November 2016, we entered into a license agreement with the University of Illinois, or UIC, pursuant to which we obtained an exclusive, worldwide license to make, have made, use, import, sell and offer for sale SERDs, including G1T48, covered by certain patent rights owned UIC. The rights licensed to us are for all fields of use. Under the terms of the agreement we paid a one-time only, non-refundable upfront fee of $0.5 million, and are required to pay UIC low single-digit royalties on all net sales of products and a share of any sublicensing revenues. We are also obligated to pay annual maintenance fees, which are fully creditable against any royalty payments made by us. We may also be required to pay UIC milestone payments of up to an aggregate of $2.625 million related to the initiation and execution of clinical trials and first commercial sale of a product in multiple countries. We are responsible for all future patent prosecution costs. See “Business—Intellectual Property—Exclusive License for G1T48.”

Financial operations overview

Revenues

To date, we have not generated any revenues from the commercial sale of approved products or out-licensing of our product candidates, and we do not expect to generate substantial revenue from the commercial sale of our products for the foreseeable future, if ever. In the future, we will seek to generate revenue primarily from product sales and, potentially, regional or global collaborations with strategic partners. We have received all of our revenues to date from government grants related to our research.

Operating expenses

We classify our operating expenses into two categories: research and development and general and administrative expenses. Personnel costs, including salaries, benefits, bonuses and stock-based compensation expense, comprise a significant component of each of these expense categories. We allocate expenses associated with personnel costs based on the nature of work associated with these resources.

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 2015, trilaciclib was our only clinical-stage product candidate. In 2016, we had two clinical-stage product candidates, trilaciclib and G1T38. In 2017, we had ongoing clinical trials for two of our product candidates, trilaciclib and G1T38, and we incurred costs related to our G1T48 product candidate as we prepared to initiate a clinical trial in 2018.

General and administrative expenses

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

We expect to continue to incur additional general and administrative expenses in 2018 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 and other administration and professional services.

Total other income (expense), net

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

Income taxes

To date, we have not been required to pay U.S. federal or state income taxes because we have not generated taxable income.

Critical accounting policies and significant judgments and estimates

This discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported expenses incurred during the reporting periods. 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.

While our significant accounting policies are more fully described in the notes to our financial statements appearing elsewhere in this prospectus, we believe that the following 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.

Accrued research and development expenses

As part of the process of preparing our financial statements, we are required to estimate and accrue expenses, the largest of which is related to accrued research and development expenses. This process for estimating and accruing expenses involves reviewing contracts and purchase orders, identifying services that have been performed on our behalf, and estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or otherwise notified of the actual costs.

Costs for preclinical study and clinical trial activities are recognized based on an evaluation of our vendors' progress towards completion of specific tasks, using data such as patient enrollment, clinical site activations or information provided to us by our 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. We determine 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. Our estimates of accrued expenses as of each balance sheet date are based on the facts and circumstances known at the time.

Although we do not expect our estimates to be materially different from the amounts actually incurred, if our estimates of the status and timing of the services performed differ from the actual status and timing of services performed, we may report amounts that are too high or too low in any particular period. To date, there have been no material differences from our estimates to the amount actually incurred.

Warrant liability

Warrants to purchase our preferred stock have been classified as liabilities and recorded at their estimated fair value. In each reporting period, any change in fair value of the warrants has been recorded as expense in the case of an increase in fair value and income in the case of a decrease in fair value. We used significant assumptions in estimating the fair value of our warrant liability including the estimated volatility, risk free interest rate, estimated fair value of our redeemable convertible preferred shares and the estimated life of the warrant. These assumptions were used in our option pricing method and the probability weighted expected return method, a blend of which were considered in establishing fair value. As of December 31, 2017, we have no outstanding warrants.

Series B purchase option liability

The option to purchase shares of Series B redeemable convertible preferred stock in a second tranche has been accounted for as a free-standing instrument and classified as a liability. On February 4, 2015, upon purchase of the first tranche of Series B Preferred Stock, the option to purchase additional shares was recorded at its fair value, with the remaining cash proceeds received on that date allocated to Series B Preferred Stock. As the value of the option to purchase shares in the second tranche increased over time, a change in the fair value of the liability was recorded as "Change in fair value of Series B purchase option liability" in the accompanying statement of operations. This free-standing instrument was exercised on December 10, 2015 when the right to require the purchase of the second tranche shares by the holders of the outstanding shares of Series B Preferred Stock was exercised, resulting in an outstanding liability of zero on December 31, 2017 and 2016.

Stock-based compensation

We account for stock-based compensation awards in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, *Compensation—Stock Compensation*, or ASC 718. ASC 718 requires all stock-based payments to employees, including grants of employee stock options, to be recognized in the statement of operations based on their fair values. Our stock-based compensation awards have historically consisted of stock options.

We recognize 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. We estimate the grant date fair value, and the resulting stock-based compensation expense, using the Black-Scholes option-pricing model. 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.

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

We recorded non-cash stock-based compensation expense for employee and non-employee stock option grants of $3.4 million, $1.4 million and $0.4 million for the years ended December 31, 2017, 2016 and 2015, respectively.

We calculate 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 our common stock, the assumed dividend yield, the expected term of our stock options, the risk-free interest rate for a period that approximates the expected term of our stock options, and the fair value of the underlying common stock on the date of grant. In applying these assumptions, we considered the following factors:

- we do not have sufficient history to estimate the volatility of our common stock; we calculate expected volatility based on reported data for selected similar publicly traded companies for which the historical information is available; we plan to continue to use the guideline peer group volatility information until the historical volatility of our common stock is sufficient to measure expected volatility for future option grants;
- the assumed dividend yield of zero is based on our expectation of not paying dividends for the foreseeable future;
- our estimates of expected term used in the Black-Scholes option-pricing model were based on the estimated time from the grant date to the date of exercise;
- we determine the risk-free interest rate by reference to implied yields available from U.S. Treasury securities with a remaining term equal to the expected life assumed at the date of grant; and
- we estimate forfeitures based on our historical analysis of actual stock option forfeitures. To date, we have had minimal forfeitures, accordingly, we have assumed no forfeiture rate.

See “Note 8 – Stock Option Plan” to the accompanying audited financial statements included in this prospectus for the weighted average assumptions used in the Black-Scholes option-pricing model for awards granted in the years ended December 31, 2017, 2016 and 2015.

Prior to our initial public offering, the fair value of our common shares underlying our stock options was estimated on each grant date by our board of directors. In order to determine the fair value of our common shares underlying granted stock options, our board of directors considered, among other things, timely valuations of our common shares prepared by an unrelated third-party valuation firm in accordance with the guidance provided by the American Institute of Certified Public Accountants Practice Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation.

Given the absence of a public trading market for our common shares, our board of directors exercised reasonable judgment and considered a number of objective and subjective factors to determine the best estimate of the fair value of our common shares, including (1) our business, financial condition and results of operations, including related industry trends affecting our operations; (2) our forecasted operating performance and projected future cash flows; (3) the illiquid nature of our common shares; (4) liquidation preferences and other rights and privileges of our common shares; (5) market multiples of our most comparable public peers and (6) market conditions affecting our industry.

In connection with our 2015 audit, we reassessed the determination of the fair value of the common shares underlying 1,607,119 stock options granted throughout 2015. As a result, we determined that the fair value of the common shares in 2015 increased from $0.30 per common share at January 31, 2015 to $3.72 per common share at December 31, 2015, which was higher than the fair value per share as initially determined by the board of directors on the respective grant dates of February 27, 2015, July 15, 2015 and September 7, 2015. The use of this higher share price increased both recognized and unrecognized share-based compensation expense.

In 2017, in connection with our IPO and after discussions with our underwriters, we reassessed the determination of the fair value of the common shares underlying the 1,099,320 stock options granted throughout 2016, and the 119,997 options granted up through our IPO date of May 16, 2017, and determined that no adjustment was necessary.

Since our IPO, our board of directors has determined the fair value of each common share underlying share-based awards based on the closing price of our common shares as reported by The Nasdaq Global Select Market on the date of grant.

Income taxes

We recognize deferred income taxes for temporary differences between the basis of assets and liabilities for financial statement and income tax purposes. We periodically evaluate the positive and negative evidence bearing upon the ability to realize our deferred tax assets. Based upon the weight of the available evidence, which includes historical operating performance, reported cumulative net losses since inception and difficulty in accurately forecasting our future results, we maintained a full valuation allowance on the net deferred tax assets for all periods presented. We intend to maintain a full valuation allowance on the U.S. deferred tax assets for the foreseeable future until sufficient positive evidence exists to support reversal of the valuation allowance.

As of December 31, 2017, we had federal and state operating loss carryforwards of approximately $100.8 million, available to reduce future taxable income that will begin to expire in 2028. As of December 31, 2017, we also had research and development tax credit carryforwards of approximately $3.3 million for federal purposes available to offset future income tax. If not utilized, the federal carryforwards will expire in various amounts beginning in 2034.

Utilization of the net operating loss carryforwards may be subject to a substantial annual limitation due to the ownership change limitations provided by Section 382 of the Internal Revenue Code of 1986, as amended, and similar state provisions. The annual limitation may result in the expiration of net operating losses and credits before utilization. An analysis to determine the limitation of the net operating loss carryforwards has not been performed.

On December 22, 2017, the Tax Cuts and Jobs Act (“Tax Act”) was signed into law. The Tax Act lowered the Federal corporate tax rate from 34% to 21% and made numerous other tax law changes. The Company has measured deferred tax assets at the enacted tax rate expected to apply when these temporary differences are expected to be realized or settled. U.S. GAAP requires companies to recognize the effect of tax law changes in the period of enactment. Reasonable estimates were made based on the Company’s analysis of the Tax Act. These provisional amounts may be adjusted during 2018 when additional information is obtained. Additional information that may affect our provisional amounts would include further clarification and guidance on how the Internal Revenue Service will implement the Tax Act, including guidance with respect to guidance on how state taxing authorities will implement tax reform and the related effect on our state income tax returns, completion of our 2017 tax return filings, and the potential for additional guidance from the Financial Accounting Standards Board related to the Tax Act. Under the Tax Act, NOLs arising after December 31, 2017

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may be carried forward indefinitely. However, for NOLs arising after December 31, 2017, NOL carryforwards will be limited to 80% of taxable income. Our NOLs generated in 2017 and in prior years will not be subject to the limitations under the Tax Act.

Results of operations

Comparison of the year ended December 31, 2017 and December 31, 2016

	Year Ended December 31,		Change
	2017	2016	$
	(in thousands)		
Revenue	$ —	$ —	$ —
Operating Expenses:			
Research and Development	53,881	25,161	28,720
General and Administrative	7,087	5,230	1,857
Total Operating Expenses	60,968	30,391	30,577
Loss from Operations	(60,968)	(30,391)	(30,577)
Other Income	847	100	747
Net Loss	$ (60,121)	$ (30,291)	$(29,830)

Revenue

Revenue was $0 for the years ended December 31, 2017 and December 31, 2016.

Research and development

Research and development expenses were $53.9 million for the year ended December 31, 2017 as compared to $25.2 million for the year ended December 31, 2016. The increase of $28.7 million, or 114%, was primarily due to an increase of $16.3 million in our clinical program costs which reflects increased costs in our ongoing clinical trials and initiation of our trial in SCLC with Tecentriq, as well as increased headcount-related expenses to support these trials. The increase in research and development expenses was also due to an increase in costs for manufacturing of pharmaceutical active ingredient and drug product to support our clinical trials and an increase in external costs related to preclinical development. The following table summarizes our research and development expenses allocated to trilaciclib, G1T38 and G1T48, and unallocated research and development expenses for the periods indicated:

	Year Ended December 31,	
	2017	2016
	(in thousands)	
Clinical Expenses—trilaciclib	$ 26,801	$ 11,693
Clinical Expenses—G1T38	4,336	3,504
Clinical Expenses—G1T48	366	—
Chemical Manufacturing and Development	13,142	4,967
Discovery and Pre-clinical Expenses	9,236	4,997
Total Research and Development Expenses	$ 53,881	$ 25,161

General and administrative

General and administrative expenses were $7.1 million for the year ended December 31, 2017 as compared to $5.2 million for the year ended December 31, 2016. The increase of $1.9 million, or 36%, was due to an increase of $1.4 million in personnel related costs as a result of headcount-related costs, an increase of $1.5 million in professional services, insurance, board compensation and other administrative costs necessary to support our operations as a public company and offset by a decrease of $1.0 million in transaction related costs from our deferred public offering.

Total other income (expense), net

Total other income, net was $0.8 million for the year ended December 31, 2017 as compared to $0.1 million for the year ended December 31, 2016. The increase in income of $0.7 million was due to additional interest income earned on a higher balance of money market funds during the year ended December 31, 2017 as compared to the year ended December 31, 2016.

Comparison of the year ended December 31, 2016 and December 31, 2015

	Year Ended December 31,		Change
	2016	2015	$
	(in thousands)		
Revenue	$ —	$ 522	$ (522)
Operating Expenses:			
Research and Development	25,161	12,730	12,431
General and Administrative	5,230	3,216	2,014
Total Operating Expenses	30,391	15,946	14,445
Loss from Operations	(30,391)	(15,424)	(14,967)
Other Income	100	(4,839)	4,939
Net Loss	$ (30,291)	$ (20,263)	$(10,028)

Revenue

Revenue was $0 for the year ended December 31, 2016 as compared to $0.5 million for the year ended December 31, 2015. The decrease of $0.5 million was due to the expiration of existing government grants in 2015. We have not applied for new government grants and do not expect any additional grant revenue in the near future.

Research and development

Research and development expenses were $25.2 million for the year ended December 31, 2016 as compared to $12.7 million for the year ended December 31, 2015. The increase of $12.4 million, or 98%, was primarily due to an increase of $10.3 million in our clinical program costs which included increased costs in our ongoing trials of trilaciclib in SCLC and initiation costs for a Phase 2 clinical trial of trilaciclib in TNBC and preparation for a trial of G1T38 in ER+, HER2- breast cancer. The increase in research and development expense is also due to an increase in connection with manufacturing of pharmaceutical active ingredient and drug product to support our clinical trials, an increase in personnel-related costs as a result of increased headcount and fees paid to consultants, an increase in license fees and an increase in supplies and facility costs, offset in part by a decrease in external costs related to the selection of compounds for development and preclinical development of G1T38 and G1T48. The following table summarizes our research and development expenses allocated to trilaciclib and G1T38 and unallocated research and development expenses for the periods indicated:

	Year Ended December 31,	
	2016	2015
	(in thousands)	
Clinical Expenses—trilaciclib	$ 11,693	$ 4,889
Clinical Expenses—G1T38	3,504	—
Clinical Expenses—G1T48	—	—
Chemical Manufacturing and Development	4,967	2,688
Discovery and Pre-clinical Expenses	4,997	5,153
Total Research and Development Expenses	$ 25,161	$ 12,730

General and administrative

General and administrative expenses were $5.2 million for the year ended December 31, 2016 as compared to $3.2 million for the year ended December 31, 2015. The increase of $2.0 million, or 63%, was due to an increase of $1.0 million of transaction related costs from our deferred initial public offering, an increase of $0.6 million in personnel costs as a result of increased headcount and fees paid to consultants and an increase of $0.4 million in general and intellectual property legal expenses.

Total other income (expense), net

Total other income (expense), net was $0.1 million for the year ended December 31, 2016 as compared to $(4.8) million for the year ended December 31, 2015. The decrease in expense of $4.9 million was due to the change in fair value of the Series B purchase option liability in 2015 and no equivalent expense in 2016, the change in the fair value of the warrant liability and an increase in interest income.

Liquidity and Capital Resources

We have incurred significant operating losses since our inception. We incurred net losses of $60.1 million for the year ended December 31, 2017, $30.3 million for the year ended December 31, 2016, and $20.3 million for the year ended December 31, 2015. As of December 31, 2017, we had an accumulated deficit of $129.1 million. Our product candidates span a range from preclinical development to Phase 2 clinical trials, and it may be several years, if ever, before we have a product candidate ready for commercialization. To date, we have financed our operations primarily through sales of our preferred and common stock. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future.

As of December 31, 2017, we had cash, cash equivalents and short-term investments of $103.8 million. We believe that our existing cash and cash equivalents will be sufficient to fund our projected cash needs for greater than 12 months following the filing of this prospectus. 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.

Cash flows

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

	Year Ended December 31,		
	2017	2016	2015
	(in thousands)		
Net cash used in operating activities	$ (50,519)	$(25,141)	$(13,845)
Net cash used in investing activities	(294)	(250)	(87)
Net cash provided by financing activities	107,320	49,758	33,176
Net increase in cash and cash equivalents	$ 56,507	$ 24,367	$ 19,244

Net cash used in operating activities

During the year ended December 31, 2017, net cash used in operating activities was $50.5 million, which consisted of a net loss of $60.1 million and net changes in prepaids and other working capital adjustments of $0.1 million, partially offset by an increase of $6.3 million in accrued expenses and accounts payable, primarily driven by increased research and development costs, and non-cash stock-based compensation charges of $3.4 million.

During the year ended December 31, 2016, net cash used in operating activities was $25.1 million, which consisted of a net loss of $30.3 million, partially offset by an increase in accrued expenses and accounts payable of $3.4 million, related primarily to increased research and development activity during that period, non-cash stock-based compensation charges of $1.4 million, and $0.4 million of other working capital adjustments.

During the year ended December 31, 2015, net cash used in operating activities was $13.8 million, which consisted primarily of a net loss of $20.3 million, partially offset by $4.8 million due to the increase in fair value of the Series B purchase option liability, and a change in accrued expenses and accounts payable of $1.7 million, related primarily to an increase in research and development activity during that period.

Net cash used in investing activities

Net cash used in investing activities was $0.3 million, $0.3 million and $0.1 million for the years ended December 31, 2017, 2016 and 2015, respectively.

Net cash used in investing activities represented purchases of property and equipment, primarily associated with laboratory equipment and build out costs for new office space.

Net cash provided by financing activities

During the year ended December 31, 2017, net cash provided by financing activities was $107.3 million, consisting of $107.1 million of net proceeds from our IPO and $0.2 million of proceeds from the exercise of stock options and warrants.

During the year ended December 31, 2016, net cash provided by financing activities was $49.8 million, consisting of $50.0 million in proceeds from the issuance of Series C preferred stock, offset by $0.2 million of issuance costs.

During the year ended December 31, 2015, net cash provided by financing activities was $33.2 million, consisting of $33.3 million in proceeds from the issuance of Series B preferred stock, offset by $0.1 million of issuance costs.

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 greater than 12 months following the filing of this prospectus. In order to complete the process of obtaining regulatory approval for our product candidates and to build the sales, marketing and distribution infrastructure that we believe will be necessary to commercialize our product candidates, if approved, we will require substantial additional funding.

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

- the scope, progress, results and costs of nonclinical development, laboratory testing and clinical trials for our product candidates;
- the scope, prioritization and number of our research and development programs;
- the costs, timing and outcome of regulatory review of our product candidates;
- the extent to which we enter into non-exclusive, jointly funded clinical research collaboration arrangements, if any, for the development of our product candidates in combination with other companies' products;
- our ability to establish such collaborative co-development arrangements on favorable terms, if at all;
- the achievement of milestones or occurrence of other developments that trigger payments under our license agreement and any collaboration agreements into which we enter;
- the extent to which we are obligated to reimburse, or entitled to reimbursement of, clinical trial costs under future collaboration agreements, if any;
- the extent to which we acquire or in-license product candidates and technologies, such as G1T48, and the terms of such in-licenses;

- the costs of future commercialization activities, including product sales, marketing, manufacturing and distribution, for any of our product candidates for which we receive marketing approval;
- revenue, if any, received from commercial sales of our product candidates, should any of our product candidates receive marketing approval; and
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims.

Until such time, if ever, as we can generate substantial revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, other third-party funding, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements. We do not have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, 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

Our principal commitments consist of obligations under our clinical trial commitments, consulting fees and operating lease commitments. The following table summarizes these contractual obligations as of December 31, 2017:

	Payments due by period				
	Total	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years
	(in thousands)				
Contractual Obligations:					
Operating lease obligations(1)	$1,561	$ 294	$ 615	$ 652	$ —
Total contractual obligations(2)	$1,561	$ 294	$ 615	$ 652	$ —

(1) Represents future minimum lease payments under the non-cancelable lease for our headquarters in Research Triangle Park, NC. The minimum lease payments above do not include any related common area maintenance charges or real estate taxes.

(2) We enter into agreements in the normal course of business with contract research organizations for clinical trials and with vendors for preclinical studies and other services and products for operating purposes which are cancelable at any time by us, generally upon 30-60 days prior written notice. The contractual obligations above do not include such payments. The above amounts exclude potential payments to be made under our license agreement for G1T48 with the University of Illinois that are based on the progress of G1T48, as these payments are not determinable.

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

Off-Balance sheet arrangements

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

Business

Overview

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

We were incorporated under the laws of the State of Delaware in May 2008 under the name “G-Zero Therapeutics, Inc.” In September 2012, we changed our name to “G1 Therapeutics, Inc.” Our principal executive offices are located at 79 T.W. Alexander Drive, 4501 Research Commons, Suite 100, Research Triangle Park, NC 27709, and our telephone number is (919) 213-9835.

We manage our operations as a single segment for the purposes of assessing performance and making operating decisions. All of our assets are held in the United States.

“G1 Therapeutics” and our logo are our trademarks. All other service marks, trademarks and trade names appearing in this prospectus are the property of their respective owners. We do not intend our use or display of other companies’ trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, these other companies.

Product Pipeline

Our product pipeline includes several product candidates with the potential to significantly improve the treatment of patients with cancer. Our two clinical candidates, trilaciclib and G1T38, are based on our core understanding of cyclin-dependent kinases 4 and 6, or CDK4/6, a pair of proteins that play an important role in the growth and proliferation of all human cells. G1T48 is a potential first-in-class oral Selective Estrogen Receptor Degrader, or SERD, which we plan to develop as a single agent and in combination with other agents, including G1T38 for the treatment of ER-positive, or ER+, HER2- breast cancer. We own the global rights to all our product candidates.

G1 Therapeutics Product Pipeline

Candidate	Target	MOA	Clinical Status	Global Rights
trilaciclib	CDK4/6	Short-acting IV CDK4/6 inhibitor Preserves HSPCs, enhances immune system function	Phase 2	G1 THERAPEUTICS
G1T38	CDK4/6	Oral CDK4/6 inhibitor Stops tumor proliferation and growth	Phase 1/2	G1 THERAPEUTICS
G1T48	Estrogen Receptor	Oral Selective Estrogen Receptor Degrader (SERD) Inhibits estrogen receptor driven tumor proliferation	Open IND	G1 THERAPEUTICS

Our CDK4/6 Inhibitor Product Candidates

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

We have leveraged our deep knowledge in CDK4/6 biology to discover and develop two highly potent and selective CDK4/6 inhibitors that may have broad applicability across multiple cancer indications. We believe we are the only company with two distinct clinical-stage CDK4/6 inhibitors, trilaciclib and G1T38, each of which has the potential to be the backbone therapy of multiple combination regimens. Our two CDK4/6 inhibitors were rationally designed to treat distinct patient populations with different combination regimens.

Trilaciclib, a short-acting IV therapy, is in development for combinations with chemotherapy and chemotherapy/checkpoint inhibitor regimens. G1T38, an oral therapy, is in development for combinations with other oral targeted therapies.

Trilaciclib: our novel approach to preserve HSPCs from damage by chemotherapy

Trilaciclib is a potential first-in-class, short-acting CDK4/6 inhibitor which we are developing to be administered intravenously prior to chemotherapy. In preclinical studies, administration of trilaciclib prior to chemotherapy has been shown to induce transient cell-cycle arrest of HSPCs, 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/2a 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 the open label Phase 1b portions of both trials has been completed and preliminary data were reported in 2016 and 2017; response rates and tolerability compared favorably to historical chemotherapy-only trials.

Based on these encouraging preliminary data, we advanced both SCLC trials into the randomized, placebo-controlled, double-blind Phase 2a parts. Enrollment in the first-line SCLC Phase 2a trial was completed in the second quarter of 2017.

On March 5, 2018, we announced positive topline data from the first-line SCLC Phase 2a trial, showing robust myelopreservation benefits. Data from this trial demonstrated that trilaciclib reduced clinically relevant consequences of chemotherapy-induced myelosuppression, when compared to placebo. The data included statistically significant results showing the benefits of trilaciclib in several prospectively defined parameters, including Grade 4 neutropenia, the use of granulocyte colony-stimulating factor, or G-CSF, as a treatment for myelosuppression, and chemotherapy dose reductions and dose delays. In addition, the data showed clinically meaningful results favoring trilaciclib compared to placebo, including febrile neutropenia, Grade 3/4 anemia, and red blood cell transfusions. Further detail is provided below in the section “—Ongoing Phase 1b/2a clinical trial in first-line treatment of SCLC.”

Enrollment in the second-/third-line SCLC Phase 2a trial is expected to be completed in the second quarter of 2018, with unblinded preliminary data (as well as updated Phase 1b data) reported in the fourth quarter of 2018. 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 is expected to be completed in the second quarter of 2018, with preliminary data reported in the fourth quarter of 2018. Finally, as part of our non-exclusive collaboration with Genentech, in 2017 we initiated a randomized, placebo-controlled, double-blind Phase 2 trial of trilaciclib in combination with Tecentriq® (atezolizumab)/carboplatin/etoposide in first-line SCLC patients. We completed enrollment in February 2018; as the primary endpoint of this trial is overall-survival, data read-out is event driven, and is not expected until 2019 or later.

Market opportunities for trilaciclib

Cancer is the second leading cause of death in the United States with approximately 1.7 million new cases and 600,000 deaths in 2016. Chemotherapy is still the standard of care treatment for multiple cancers. We estimate that more than one million patients in the United States receive chemotherapy annually.

Chemotherapy has significant clinical utility and continues to be the most effective treatment for many cancers. However, it also damages HSPCs (myelosuppression) and the immune system (immunosuppression), leading to severe adverse effects and limiting anti-tumor activity. Chemotherapy-induced myelosuppression causes abnormally low numbers of red blood cells, or anemia, abnormally low numbers of neutrophils, or neutropenia, and/or abnormally low numbers of platelets, or thrombocytopenia. The treatment and prevention of myelosuppressive side effects of chemotherapy is a large market opportunity. The only current treatment for chemotherapy-induced myelosuppression is growth factor support. Two main types of commercially available growth factors are: granulocyte-colony stimulating factor, or GCSF, and erythropoiesis stimulating agents, or ESAs. GCSF increases production of neutrophils in patients to reduce the incidence of infection after chemotherapy. GCSF does not preserve the function of the bone marrow and immune system from chemotherapy damage. ESAs increase production of red blood cells in patients. Accordingly, ESAs also do not preserve the function of the bone marrow and immune system from chemotherapy. ESA use in oncology has diminished recently due to a “black box” warning related to death and serious cardiovascular events. Despite these limitations, we estimate that annual worldwide sales of growth factor support therapy in oncology exceeds $7 billion.

Our first trial for trilaciclib is in first-line treatment of extensive-stage Small Cell Lung Cancer, or SCLC. SCLC is inherently CDK4/6-independent and accounts for approximately 15% of all lung cancers. Approximately 31,000 people are diagnosed annually with SCLC in the United States and approximately 70%, or 21,000, of those have extensive-stage disease. First-line treatment for extensive-stage SCLC is typically a chemotherapy regimen of carboplatin and etoposide, each of which has significant myelosuppressive side effects. While these patients often respond to chemotherapy, approximately 90% progress within one year and die within two years. Five-year survival rates are less than 5% for patients with extensive-stage SCLC. The last drug approved for the treatment of patients with SCLC was topotecan in 2007, which was approved in a second/third line setting and is highly myelosuppressive.

We are also exploring the use of trilaciclib in Triple Negative Breast Cancer, or TNBC. According to the World Cancer Research Fund International, breast cancer is the second most common cancer in the world and the most prevalent cancer in women, with an estimated 1.7 million cases of breast cancer diagnosed annually worldwide. TNBC makes up approximately 15-20% of such diagnosed breast cancers. Because TNBC cells lack key growth-signaling receptors, patients do not respond well to medications that block estrogen, progesterone, or HER2 receptors. Instead, treating TNBC typically involves chemotherapy, radiation, and surgery. In general, survival rates tend to be lower with TNBC compared to other forms of breast cancer, and TNBC is also more likely than some other types of breast cancer to return after it has been treated, especially in the first few years after treatment.

There are currently approximately 300 trials of which we are aware evaluating checkpoint inhibitors in combination with chemotherapy. We believe that administering trilaciclib with chemotherapy/checkpoint inhibitor combinations may increase efficacy. We are collaborating non-exclusively with Genentech to explore the utility of trilaciclib and their checkpoint inhibitor Tecentriq combined with chemotherapy. Our first targeted indication is first-line SCLC and we initiated a Phase 2 trial in combination with Tecentriq in the second quarter of 2017. We also anticipate trials in other indications.

Advantages of trilaciclib

We believe that treating patients with trilaciclib prior to the administration of chemotherapy may have the following benefits and advantages:

- *Potential to minimize chemotherapy-induced myelotoxicity and immunosuppression*. Trilaciclib has been rationally designed and optimized to preserve HSPCs from damage by chemotherapy, thereby minimizing cytopenias across all four blood lineages: red cells, platelets, neutrophils and lymphocytes. Trilaciclib has the potential to decrease the clinically relevant consequences of these cytopenias, such as febrile neutropenia.
- *Potential to reduce chemotherapy dose-delays and dose reductions.* Chemotherapy-induced myelosuppression is the major dose limiting toxicity of cytotoxic chemotherapy and can lead to dose reductions and schedule delays that can limit therapeutic benefit. Trilaciclib has been designed specifically to minimize myelosuppression and has the potential to enable maintenance of the indicated and planned chemotherapeutic dose and schedule.
- *Potential for combination with immune checkpoint inhibitors.* There are currently approximately 300 trials of which we are aware evaluating checkpoint inhibitors in combination with chemotherapy. We believe that administering trilaciclib with chemotherapy/checkpoint inhibitor combinations may increase efficacy. We are collaborating non-exclusively with Genentech to explore the utility of trilaciclib and their checkpoint inhibitor Tecentriq combined with chemotherapy. Our first indication is first-line SCLC and we initiated a Phase 2 trial in combination with Tecentriq in the second quarter of 2017. We also anticipate trials in other indications.
- *Potential broad applicability*. We believe trilaciclib has the potential to benefit patients treated with multiple myelosuppressive chemotherapeutic regimens across a wide range of oncology indications.
- *Convenience of administration*. Trilaciclib is designed to be administered via an IV infusion prior to chemotherapy treatment. This dosing regimen fits with standard clinical practice for chemotherapy and/or checkpoint inhibitor treatment.
- *Reduced potential of secondary hematological malignancies*. Chemotherapy has been linked with secondary types of cancer that may occur years after initial treatment. HSPCs are especially sensitive to chemotherapy, and damage to HSPCs by chemotherapy can lead to both myelodysplastic syndrome and acute myelogenous leukemia. We believe that protecting HSPCs from the cytotoxic effects of chemotherapy has the potential to reduce incidence of these secondary hematological malignancies.
- *Potential to reduce the overall cost of care*. Chemotherapy-induced myelosuppression leads to severe adverse side effects, such as fatigue due to anemia, infections due to neutropenia, and bleeding due to thrombocytopenia. These adverse side effects often require costly hospitalizations, transfusions, antibiotic usage and/or treatment with growth factor support. Because trilaciclib has been designed specifically to minimize myelosuppression, we believe that it has the potential to reduce the overall cost of care. Our market research with payers supports the value proposition of trilaciclib.

Trilaciclib: preclinical and clinical development

Preclinical development

We have published extensive biochemical, cellular and *in vivo* data on trilaciclib from 2015-2017. Our preclinical data show that trilaciclib can induce transient and reversible cell-cycle arrest of HSPCs; protect HSPCs from damage by chemotherapy; preserve bone marrow and immune system function; improve CBC recovery; protect from bone marrow exhaustion; prevent myeloid skewing and consequent lymphopenia; activate T-cells in the tumor microenvironment; and enhance chemotherapy and checkpoint inhibitor anti-tumor activity.

Completed Phase 1 clinical trial

In 2015, we completed a Phase 1 clinical trial of trilaciclib in 45 healthy volunteers in the Netherlands. In this trial, subjects in seven cohorts were administered a single ascending dose of trilaciclib between 6 mg/m^2 and 192 mg/m^2. The purpose of this trial was to evaluate the safety including dose limiting toxicities, or DLTs, serious adverse events, or SAEs, adverse events, or AEs, and pharmacokinetics, or PK, and identify a biologically effective dose of trilaciclib. Published data from this trial demonstrated that trilaciclib was well tolerated, with no DLTs or SAEs reported. These data demonstrated that the administration of trilaciclib resulted in the robust cell-cycle arrest of HSPCs for at least 32 hours and supported a starting dose of 200 mg/m^2 for the initial studies in patients.

Ongoing clinical trials

Trilaciclib (IV CDK4/6 inhibitor):

Initial indications	Regimen	Phase	Status and expected milestones
1st-line Small Cell Lung Cancer	+ etoposide/carboplatin	1b/2a	Phase 1b & 2a enrollment complete Topline Phase 2a data reported in March 2018
2nd/3rd–line Small Cell Lung Cancer	+ topotecan	1b/2a	Phase 1b enrollment complete, anticipate completing Phase 2a enrollment in Q2 2018 Report updated Phase 1b, and preliminary Phase 2a data in Q4 2018
metastatic Triple Negative Breast Cancer	+gemcitabine/carboplatin	2	Anticipate completing enrollment in Q2 2018 Report preliminary data in Q4 2018
1st-line Small Cell Lung Cancer	+Tecentriq/carboplatin/ etoposide	2	Enrollment completed in Q1 2018 (two quarters ahead of schedule)

Ongoing Phase 1b/2a clinical trial in first-line treatment of SCLC

In 2015, we initiated a Phase 1b/2a clinical trial in first-line extensive-stage SCLC patients across multiple sites in the United States and Europe. The Phase 1b segment of the trial was designed to confirm the trilaciclib dose to be used in the randomized, placebo-controlled Phase 2a segment. The goals of the trial are to evaluate the safety, myelopreservation, pharmacokinetics, and anti-tumor activity of trilaciclib in combination with the existing first-line chemotherapy standard of care regimen of etoposide and carboplatin and to confirm the dose to be used in future trials. All patients in the Phase 1b segment were administered three-week cycles of trilaciclib plus etoposide/carboplatin, with an estimated four to six cycles administered in total per patient based on historical practice. Trilaciclib was administered as an IV infusion prior to every dose of etoposide/carboplatin.

In the Phase 1b section of this trial, as reported at the American Society of Clinical Oncology meetings in June 2017, we treated 19 patients with multiple cycles of trilaciclib and chemotherapy and did not have a single episode of febrile neutropenia – one of the most common adverse consequences of these chemotherapy regimens. We also observed a dose dependent reduction in grade 3/4 hematologic adverse events. The results from the Phase 1b study support the hypothesis that trilaciclib could ameliorate the significant acute and long-term consequences of chemotherapy-induced myelosuppression by preserving hematopoietic and immune system function. Based on these results, we initiated the randomized, placebo-controlled Phase 2a segment of the trial in fourth-quarter of 2016 with a trilaciclib dose of 240 mg/m^2 and completed enrollment of a total of 77 patients in the second quarter of 2017.

On March 5, 2018, we announced positive topline data from the first-line SCLC Phase 2a trial, showing robust myelopreservation benefits. Data from this trial demonstrated that trilaciclib reduced clinically relevant consequences of chemotherapy-induced myelosuppression, when compared to placebo. The data included statistically significant results showing the benefits of trilaciclib in several prospectively defined parameters, including Grade 4 neutropenia, the use of granulocyte colony-stimulating factor, or G-CSF, as a treatment for myelosuppression, and chemotherapy dose reductions and dose delays. In addition, the data showed clinically meaningful results favoring trilaciclib compared to placebo, including febrile neutropenia, Grade 3/4 anemia, and red blood cell transfusions.

Trilaciclib was well tolerated, with no Grade 3/4 trilaciclib-related treatment emergent adverse events, or TEAEs, reported. Baseline demographics and disease characteristics were generally well-balanced between the two arms. Key hematological results are shown in the table below:

Parameter	EP (1) + placebo Patients N=37	EP + trilaciclib Patients N=38	% Reduction	P-Value (2)
Patients with Grade 3/4 Hematologic TEAEs	27 (73.0%)	9 (23.7%)	67.5%	<0.0001
Patients with Grade 3/4 Neutropenia	30 (81.1%)	15 (39.5%)	51.3%	0.0002
Patients with Grade 4 Neutropenia	16 (43.2%)	2 (5.3%)	87.7%	0.0001
Patients with Grade 4 Neutropenia in Cycle 1	13 (35.1%)	1 (2.6%)	92.6%	0.0003
Cycles with Febrile Neutropenia	5	1	80.8%	0.1542
Patients with Febrile Neutropenia	3 (8.1%)	1 (2.6%)	67.9%	0.2773
Patients with GCSF Administration	24 (64.9%)	4 (10.5%)	83.8%	<0.0001
Patients with Chemotherapy Cycle Delays	25 (67.6%)	15 (39.5%)	41.6%	0.0170
Patients with Chemotherapy Dose Reductions	13 (35.1%)	3 (7.9%)	77.5%	0.0033

(1) EP - etoposide and carboplatin

(2) significance testing at two-sided alpha = 0.2 per prospectively defined analysis plan

The trilaciclib arm also showed favorable trends with reduced Grade 3 anemia, red blood cell transfusions, and Grade 3 thrombocytopenia as compared to placebo. There was no Grade 4 anemia or thrombocytopenia in either arm.

In addition to showing myelopreservation benefits across multiple hematopoietic lineages, trilaciclib showed favorable trends versus placebo for overall response rate (ORR) by blinded independent central review (BICR) of 66.7% versus 62.2% for placebo (p=0.6759), duration of response by BICR of 5.7 months versus 4.3 months for placebo (p=0.1449) and median progression free survival (PFS) (investigator, including clinical progression) of 6.2 months versus 5.0 months for placebo (hazard ratio 0.6, p=0.06).

We plan to share these data with U.S. and European regulatory authorities and discuss next steps for the development of trilaciclib. We also plan to present results from this trial, including updated data from the Phase 1b portion, at a medical meeting later this year.

Ongoing Phase 1b/2a clinical trial in second/third-line treatment of SCLC

In 2015, we initiated a Phase 1b/2a clinical trial in second/third-line SCLC patients across multiple sites in the United States and Europe. The Phase 1b segment of the trial was designed to confirm the trilaciclib dose to be used in the randomized, placebo-controlled Phase 2a segment of the trial. The goals of the trial are to evaluate the safety, myelopreservation, PK, and anti-tumor activity of trilaciclib in combination with the existing second/third-line chemotherapy standard of care regimen of topotecan and to confirm the dose to be used in future trials. All patients in the Phase 1b segment were administered three-week cycles of trilaciclib plus topotecan until the progression of disease. Trilaciclib was administered as an IV infusion prior to every dose of topotecan. Trilaciclib doses of 200 to 280 mg/m^2 and topotecan doses of 0.75 to 1.5 mg/m^2 were tested across 7 cohorts in the completed Phase 1b open-label segment of the trial. Upon completion of the Phase 1b segment of the trial, the doses chosen for the randomized, placebo-controlled Phase 2a segment of this trial are trilaciclib 240 mg/m^2 + topotecan 0.75 mg/m^2 and trilaciclib 240 mg/m^2 + topotecan 1.5 mg/m^2.

In the Phase 1b segment we treated 32 patients with trilaciclib and topotecan without any episodes of febrile neutropenia or treatment related SAEs. Preliminary results from Phase 1b were reported at the IASCLC World Conference on Lung Cancer in December 2016. Based on these results, the Phase 2a segment was initiated in the first quarter of 2017 and consists of a double blind-design with approximately 90 patients randomized on a 2:1 basis to receive trilaciclib plus topotecan, or placebo plus topotecan. We plan to complete enrollment in this trial in the second quarter of 2018. We expect to update the data from the Phase 1b segment of the trial and to report preliminary data from the Phase 2a segment of the trial in the fourth quarter of 2018.

Ongoing Phase 2 clinical trial in Triple Negative Breast Cancer (TNBC)

In January 2017, we initiated an open label, randomized, Phase 2 trial that is expected to enroll approximately 90 patients with first, second or third-line metastatic TNBC across multiple sites in the United States and Europe. The goals of the clinical trial are to evaluate the safety, myelopreservation, PK, and anti-tumor activity of trilaciclib in combination with the existing chemotherapy standard of care regimen of gemcitabine and carboplatin. We expect to fully enroll this trial in the second-quarter of 2018 and report preliminary data in the fourth-quarter of 2018.

Ongoing Phase 2 clinical trial in first-line treatment of SCLC with a checkpoint inhibitor

In December 2016, we entered into a non-exclusive agreement with Genentech to evaluate the combination of Genentech’s immune checkpoint, anti-PD-L1 antibody Tecentriq with trilaciclib. Our first trial under the agreement is in first-line treatment for patients with extensive stage SCLC receiving carboplatin and etoposide. We initiated enrollment in this randomized, double-blinded, placebo-controlled Phase 2 trial in the second quarter of 2017. The goals of the clinical trial are to evaluate the safety, overall survival, myelopreservation, PK, and anti-tumor activity of trilaciclib in combination with Tecentriq and chemotherapy. We completed enrollment in the first quarter of 2018.

G1T38: Our potential best-in-class CDK4/6 inhibitor for patients with CDK4/6-dependent tumors

G1T38, our second clinical-stage candidate, is a potential best-in-class oral CDK4/6 inhibitor, to be used in combination with other targeted therapies to treat multiple cancers. We rationally designed G1T38 to improve upon and address the shortcomings of the approved CDK4/6 inhibitors Ibrance®, Kisqali® and Verzenio®. Our preclinical data and early human clinical data indicate the potential for continuous daily dosing, less dose-limiting neutropenia, and improved tolerability. A Phase 1 trial of G1T38 in 75 healthy volunteers showed a favorable safety profile, and we initiated a Phase 1b/2a trial in ER+, HER2- breast cancer in January 2017. Our plans for G1T38 include combinations in other cancers, such as non-small cell lung cancer, or NSCLC, where we expect to begin a Phase 1b/2 trial in March 2018 in combination with the epidermal growth factor receptor (EGFR) inhibitor, Tagrisso®. We believe that G1T38 has the potential to be the backbone therapy of multiple combination targeted therapy regimens.

Market opportunity for G1T38

The importance of CDK4/6 as a key regulator of tumor cell growth and proliferation in certain tumors has been validated by the FDA's approval of Pfizer's CDK4/6 inhibitor Ibrance for the treatment of ER+, HER2- advanced breast cancer as initial endocrine therapy in combination with an aromatase inhibitor in post-menopausal women and in women with disease progression following endocrine therapy in combination with fulvestrant, the approval in 2017 of Kisqali in combination with an aromatase inhibitor, and the approval in 2017 of Verzenio in combination with fulvestrant. Worldwide sales of Ibrance were $2.1 billion and $3.1 billion in 2016 and 2017, respectively. Wall Street analysts estimate Ibrance peak annual worldwide sales to exceed $7 billion.

Advantages of G1T38

We believe that G1T38 has the potential to be a best-in-class CDK4/6 inhibitor. There are currently three other CDK4/6 inhibitors approved to treat ER+, HER2- breast cancer—Ibrance, Kisqali, and Verzenio. Each of these drugs has shortcomings that we believe could be addressed by a best-in-class CDK4/6 inhibitor. Ibrance and Kisqali have long half-lives that can lead to drug accumulation and neutropenia, requiring a dosing regimen of 21 days on drug and a treatment holiday of at least seven days off drug. Kisqali has also exhibited cardiovascular and liver side effects. Verzenio has demonstrated significant gastrointestinal issues, which can require administration of antidiarrheal therapies. Verzenio has also exhibited liver and blood clotting side effects.

We believe that G1T38 has the potential to be best-in-class because of the following advantages:

- *Less myelotoxicity*. In preclinical studies, G1T38 has demonstrated less myelotoxicity than Ibrance, but equivalent anti-tumor efficacy. We believe this is due to the inherently different PK properties of G1T38.
- *Potential for continuous daily dosing.* Patients on Ibrance and Kisqali can only be given the drug on a 21 days-on, followed by 7 days-off, schedule. Even with this dosing holiday, dose-delays and dose reductions due to persistent neutropenia are common. Our preclinical data and clinical data to date with G1T38 support the potential for continuous daily dosing with less dose-limiting neutropenia.
- *Improved cardiovascular and liver safety*. G1T38 has not shown any of the QT prolongation issues (seen with Kisqali) and liver injury (seen with Kisqali and Verzenio).
- *Improved tolerability profile*. We have designed G1T38 to be selective for CDK4/6 and have minimal CDK2 activity, as inhibition of CDK2 has been associated with gastrointestinal toxicities.
- *Greater potential for combination therapies.* We believe that G1T38 is the only selective CDK4/6 inhibitor in development that is not currently owned by a large pharmaceutical company. We believe that other pharmaceutical and biotech companies with targeted therapies may want to test a combination of their therapies with our CDK4/6 inhibitor. Accordingly, we believe we are in a strong position to explore collaborative arrangements with these companies.

G1T38: preclinical and clinical development

Preclinical development

We have published extensive biochemical, cellular and *in vivo* data on G1T38 demonstrating: high potency and selectivity for CDK4/6; equivalent anti-tumor activity to Ibrance when dosed orally once daily for 28-days in a mouse model of ER+, HER2- breast cancer; less myelotoxicity than Ibrance in mouse models, suggesting the potential for continuous daily dosing without the need for a treatment holiday; and anti-tumor efficacy in models of certain CDK4/6-dependent tumor types, such as NSCLC and castrate resistant prostate cancer, or CRPC.

Completed Phase 1 clinical trial

In the fourth quarter of 2016, we completed a Phase 1 clinical trial of G1T38 in 75 healthy volunteers in the Netherlands. This was a single ascending dose, placebo-controlled trial testing doses of 3 to 600 mg. In addition, G1T38 was dosed at 200 and 300 mg twice a day, 300 mg with and without food, and 300 mg as an oral solution. The goals of the clinical trial were to obtain PK and safety data to inform appropriate starting dose(s) for studies in patients. There were no DLTs, SAEs, or grade 3/4 AEs reported in this study.

Ongoing clinical trials

G1T38 (oral CDK4/6 inhibitor):

Initial indications	**Regimen**	**Phase**	**Status and expected milestones**
ER+, HER2- Breast Cancer	+Faslodex	1b/2a	Phase 1b enrollment ongoing Report preliminary Phase 1b data in Q2 2018
EGFR mutant Non-small Cell Lung Cancer	+ Tagrisso	1b/2	Initiate Phase 1b in March 2018

Ongoing Phase 1b/2a clinical trial in ER+, HER2- breast cancer

In January 2017, we initiated a Phase 1b/2a trial in ER+, HER2- breast cancer patients in combination with Faslodex®, an FDA-approved SERD. The trial is expected to enroll up to 100 patients in Europe. The goals of the clinical trial are to evaluate the safety, PK, and anti-tumor activity of G1T38 in combination with Faslodex and to determine the dose to be used in future trials. The Phase 1b segment of the trial is open-label and consists of two arms, with G1T38 dosed continuously without a holiday, either once a day or twice a day in combination with Faslodex. Once the dose and schedule have been determined, the Phase 2a segment will enroll approximately 30 patients at the recommended G1T38 dose and schedule in combination with Faslodex. All patients in the trial are being administered G1T38 orally continuously without a treatment holiday and intramuscular, or IM, Faslodex per the label. Tumor lesions are being assessed under RECIST criteria by CT scans or MRI every 8 weeks.

Early clinical data from the first 24 patients enrolled in the trial suggest that G1T38 may be able to address the shortcomings of the other CDK4/6 inhibitors. G1T38 has a shorter half-life and larger volume of distribution than Ibrance and Kisqali and is not expected to show drug accumulation. All of the enrolled patients had a decline in neutrophil counts, which is expected and due to a mechanism-based decrease in neutrophil production caused by G1T38, which also occurs with other CDK4/6 inhibitors such as Ibrance and Kisqali. No cardiovascular or liver side effects have been reported so far and there have been no G1T38-related SAEs. The incidence of gastrointestinal AEs reported so far are similar to Ibrance and Kisqali and less than Verzenio. These early clinical data indicate the potential for continuous daily dosing of G1T38 without a holiday in combination with Faslodex, and the potential for improved tolerability compared to other marketed CDK4/6 inhibitors. We expect to report preliminary data from the Phase 1b segment of this trial in the second quarter of 2018.

G1T48: Our oral SERD

G1T48 is a potential first/best-in-class oral SERD, which we plan to initially develop as a single agent and in combination with G1T38 for the treatment of ER+, HER2- breast cancer. We believe we are in a unique position as the only emerging biopharmaceutical company with a wholly owned, proprietary combination of a SERD and an oral CDK4/6 inhibitor, a validated regimen in ER+, HER2- breast cancer. Based on compelling preclinical efficacy and safety data, we filed an Investigational New Drug application (IND) with the U.S. Food and Drug Administration (FDA) in the fourth quarter of 2017. With the IND now open, we expect to initiate a clinical trial in the second quarter of 2018.

Market opportunity for G1T48

Breast cancer is the most prevalent cancer in women, accounting for 30% of all female cancers in the United States. The major cause of death from breast cancer is metastases, and approximately 30% of early-stage patients develop metastatic disease. Approximately 65% of breast cancers are ER+ and depend on estrogen signaling for growth and survival of the malignant cells. Patients with ER+ breast cancers are typically treated with endocrine therapies such as aromatase inhibitors, or AIs, selective estrogen receptor modulators, or SERMs, and SERDs. AIs, which block the generation of estrogen, and SERMs, which selectively inhibit an ER's ability to bind estrogen, both block ER-dependent signaling but leave functional ERs present in breast cancer cells. For this reason, although AIs and SERMs are effective treatments for some breast cancers, many patients acquire resistance to them by developing the ability to signal through the ER in a ligand-independent manner. In contrast, SERDs are a class of endocrine therapies that directly induce ER degradation. Therefore, it is believed that SERDs have the potential to treat ER+ tumors without allowing ligand-independent resistance to develop, and to act on AI- and SERM-resistant ER-positive tumors.

Currently only one SERD, Faslodex, is approved for the treatment of ER+ metastatic breast cancer. Faslodex is administered as an IM injection, and requires a loading dose during the first month of treatment. This means it is typically given on days 1, 15, and 29 of treatment and then once monthly thereafter. Each treatment typically consists of two injections, one into each buttock. Injection site reactions are common, occurring in approximately 10% of patients. Injection site related events including sciatica, neuralgia, neuropathic pain, and peripheral neuropathy have been reported. Other frequently reported adverse reactions with Faslodex include nausea (9.7%) and bone pain (9.4%).

While there are several oral SERDs in early clinical development, no one candidate has emerged as a clear front runner as an oral alternative to Faslodex based on early results. Limited efficacy has been reported in some of the oral SERDs in development and one has been shown to possess ER agonist activity without complete receptor degradation, suggesting that it is a SERM rather than a SERD with complete antagonist activity.

Advantages of G1T48

We believe that G1T48 has the potential to be first/best-in-class because of the following advantages:

- *Higher potency*. In preclinical models of ER+, HER2- breast cancer, G1T48 is more potent than Faslodex in binding and degrading the ER and inhibiting cell growth.

- *Improved oral efficacy*. G1T48 demonstrated improved activity compared to another oral SERD in development in preclinical models of endocrine resistance mediated by ER mutation. G1T48 also demonstrated better efficacy than other oral SERDs in development in a tamoxifen resistant model of ER+, HER2- breast cancer.
- *Ease of administration*. The only approved SERD, Faslodex, is required to be given via IM injection. We have designed G1T48 to be administered orally.
- *Wholly owned proprietary combination regimen.* To our knowledge, we are the only emerging biopharmaceutical company with both an oral SERD (G1T48) and an oral CDK4/6 inhibitor (G1T38). We believe that being in the unique position of having this wholly owned proprietary combination of a validated regimen for the treatment of ER+, HER2- breast cancer provides us a strategic and competitive advantage.

G1T48: Preclinical development

We have presented extensive biochemical, cellular and in vivo data on G1T48 demonstrating that it: has drug-like properties, is highly potent, is active on ER mutant receptors, is highly selective, leads to complete ER degradation, demonstrated a favorable safety profile, and has oral efficacy.

We plan to initiate a Phase 1/2a clinical trial in the second quarter of 2018 with the goal of evaluating the safety, tolerability, and PK of the drug in breast cancer patients.

Our Business Strategy

Our goal is to be a leader in the discovery and development of CDK4/6 inhibitor-based treatments for cancer. Our strategy includes the following key components:

- ***Develop trilaciclib in combination with chemotherapy across multiple indications.*** We believe that trilaciclib has the potential to be used to treat patients receiving myelosuppressive chemotherapy across multiple oncology indications.
- ***Develop trilaciclib in combination with immune checkpoint inhibitors.*** We believe that using trilaciclib in combination with chemotherapy and checkpoint inhibitors has the potential to significantly enhance efficacy. In December 2016, we entered into a collaboration with Genentech to evaluate trilaciclib in combination with Genentech's checkpoint inhibitor Tecentriq in multiple indications.
- ***Develop G1T38 as a best-in-class treatment across multiple cancer indications.*** We believe that G1T38 has the potential for less dose-limiting neutropenia than Ibrance and Kisqali and an improved safety/tolerability profile versus Kisqali and Verzenio. We plan to develop G1T38 across multiple cancer indications, either alone or with one or more strategic collaborators.
- ***Rapidly advance G1T48 into clinical trials in combination with G1T38.*** The use of a selective CDK4/6 inhibitor in combination with a SERD has been validated by the FDA approval and commercial success of Ibrance. With an oral SERD (G1T48) and an oral CDK4/6 inhibitor (G1T38), we believe we are in a unique position as the only emerging biopharmaceutical company with a wholly owned proprietary combination for this validated anti-cancer regimen.
- ***Pursue global development of combination therapies.*** We believe our expertise in CDK4/6 biology puts us in an advantageous position to develop proprietary best-in-combination or first-in-combination therapies with the potential for improved efficacy and safety. We are developing G1T38 to be used in combination with other targeted therapies such as SERDs. The approval of Ibrance has created significant interest in the use of

selective CDK4/6 inhibitors in combination with other targeted therapies for the treatment of cancer. Ibrance, Kisqali and the other selective CDK4/6 inhibitor in clinical development are owned by large pharmaceutical companies. As a result, we believe that we are in a strong position to explore collaborative arrangements with other pharmaceutical and biotechnology companies that are interested in combining their targeted therapies with G1T38.

- ***Build a fully integrated oncology company.*** We plan to commercialize our product candidates on our own in the United States using a small and highly specialized sales force. We may also establish global or regional collaborations with pharmaceutical companies to leverage their development and commercialization capabilities and enable us to maximize the potential of our product candidates.

Commercialization

Given our stage of development, we have not yet established our own commercial organization or distribution capabilities. We believe our focus on oncology will enable us to efficiently commercialize our product candidates on our own in the United States using a small and highly specialized sales force. However, we may also establish global or regional collaborations with pharmaceutical companies to leverage their development and commercialization capabilities to maximize the potential of our product candidates.

Manufacturing

We do not own or operate, and currently have no plans to establish any manufacturing facilities. We currently rely, and expect to continue to rely, on third parties for the manufacture of our product candidates for preclinical and clinical testing, as well as for commercial manufacture of any drugs that we may commercialize. To date, we have obtained active pharmaceutical ingredients, or API, formulations, and drug products for trilaciclib, G1T38 and G1T48 for our preclinical studies and clinical trials from multiple third-party manufacturers. We obtain our supplies from these manufacturers on a purchase order basis and do not have long-term supply arrangements in place. Redundant suppliers are in place for some of our APIs. As development proceeds for our product candidates, we will evaluate qualifying additional redundant manufacturers for API and drug product.

Competition

The development and commercialization of new drug therapies is highly competitive. We will face competition with respect to all therapeutics we may develop or commercialize in the future from pharmaceutical and biotechnology companies worldwide. If any of our product candidates is approved, they will compete with currently marketed drugs and therapies used for treatment of the same indications, and potentially with product candidates currently in development for the same indications. Many of the entities marketing or developing potentially competing products have significantly greater financial resources and expertise than we do in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing. We believe the key competitive factors affecting the success of any approved product will be its efficacy, safety profile, price, convenience of administration, and level of promotional activity. Accordingly, our commercial opportunity will be reduced or eliminated if our competitors develop and commercialize products that are more effective, have fewer side effects, are more convenient or are less expensive than any products that we may develop.

If trilaciclib is approved, it will compete with:

- existing growth factor support treatments, including Neulasta® (pegfigrastim), Neupogen® (filgrastim), Procrit® (epoeitin alpha), and Aranesp® (darbepoetin alfa) as well as biosimilars of these products when available;

- if approved, Rova-T® (rovalpituzumab tesirine), an antibody drug conjugate currently being developed by AbbVie for the treatment of patients with SCLC;
- if approved, the multiple immune checkpoint inhibitors in clinical trials for the treatment of patients with SCLC; and
- multiple approved drugs or drugs that may be approved in the future for indications for which we may develop trilaciclib.

If G1T38 is approved, it will compete with:

- Pfizer's approved CDK4/6 inhibitor Ibrance;
- Novartis's approved CDK4/6 inhibitor Kisqali;
- Eli Lilly's approved CDK4/6 inhibitor Verzenio;
- if approved, other non-selective CDK4/6 inhibitor product candidates in clinical development, including product candidates being developed by FLX Bio and Onconova Therapeutics; and
- multiple approved drugs or drugs that may be approved in the future for indications for which we may develop G1T38.

If G1T48 is approved, it will compete with:

- the approved IM SERD, Faslodex, being marketed by AstraZeneca;
- if approved, other oral SERDs in development including: RAD1901, being developed by Radius Health; GDC-9545, being developed by Genentech; AZD9496, being developed by AstraZeneca; SAR439859, being developed by Sanofi; and LSZ102, being developed by Novartis; and
- multiple approved drugs or drugs that may be approved in the future for indications for which we may develop G1T48.

Intellectual property

Our commercial success depends in part on our ability to obtain and maintain proprietary protection for our CDK4/6 inhibitor molecules, including our CDK4/6 inhibitors in clinical trials and methods of treatment using our CDK4/6 inhibitors, alone and in combination with other therapeutic agents. We also seek protection on processes for the production of our CDK4/6 inhibitors, formulations incorporating our CDK4/6 inhibitors, combinations of our product candidates with other active agents and dosing schedules and regimens related to our CDK4/6 inhibitors. Our success also depends on our ability to operate without infringing on the proprietary rights of others and to prevent others from infringing our proprietary rights. Our policy is to seek to protect our proprietary position by, among other methods, filing U.S. and foreign patent applications covering our proprietary technology, inventions, and improvements that are important to the development and implementation of our business. In addition, we plan to seek patent term adjustments, restorations, and/or patent term extensions where applicable in the United States and other jurisdictions. We also rely on trade secrets, know-how, continuing technological innovation and potential in-licensing opportunities to develop and maintain our proprietary position. Additionally, we expect to benefit, where appropriate, from statutory frameworks in the United States, Europe and other countries that provide a period of clinical data exclusivity to compensate for the time required for regulatory approval of our drug products. See also the "Government Regulation and Product Approval" section below.

We are the sole owner or exclusive licensee of all of our patents and currently filed patent applications that cover our product candidates. Our intellectual property strategy is focused on patenting our CDK4/6 inhibitors, their uses, and methods of manufacturing as well as our licensed-in applications directed to selective estrogen receptor degraders and their uses, manufacture, and combination with our CDK 4/6 inhibitors. We have obtained eleven composition-of-matter patents in the United States on a number of our CDK4/6 inhibitors, including claims that cover our product candidates trilaciclib and G1T38, and we continue to seek composition-of-matter patents on additional CDK4/6 inhibitors both in the United States and throughout the world. In addition, we have obtained three method of treatment patents in the United States on a number of our CDK4/6 inhibitors, including claims that cover our product candidates trilaciclib and G1T38. We continue to seek additional patents for our key CDK4/6 inhibitors and their uses in key therapeutic areas. We also seek patent protection on methods of treatment that incorporate our CDK4/6 inhibitors in combination with other therapeutic agents to treat specific clinical indications and targeted patient populations. Furthermore, we will seek, where appropriate, patent protection on processes of making certain CDK4/6 inhibitors, and intermediates used in the processes.

We continually assess and refine our intellectual property strategies as we develop new technologies and product candidates. We plan to file additional patent applications based on our intellectual property strategies where appropriate, including where we seek to adapt to competition or to improve business opportunities. Further, we plan to file patent applications, as we consider appropriate under the circumstances, to protect new technologies that we develop. Our patent filing strategy generally includes seeking patent protection in the United States, the European Union and in additional countries where we believe such protection is likely to be useful, including one or more of Australia, Brazil, Canada, China, Hong Kong, India, Israel, Japan, Mexico, Russia, Singapore, and South Korea.

Our owned and in-licensed patent estate as of December 31, 2017, on a worldwide basis, includes 132 granted or pending patent applications spread over 23 patent families with 14 granted U.S. patents, 21 pending U.S. applications, eight pending international patent applications filed under the Patent Cooperation Treaty and 89 pending or granted patents that have entered the national phase of prosecution in countries outside the United States. The term of individual patents depends upon the laws of the countries in which they are obtained. In the countries in which we currently file, the patent term is 20 years from the earliest date of filing of a non-provisional patent application which serves as a priority application. However, the term of a U.S. patent may be extended to compensate for the time required to obtain regulatory approval to sell a drug (a patent term extension) or by delays encountered during patent prosecution that are caused by the USPTO (referred to as patent term adjustment). For example, the Hatch-Waxman Act permits a patent term extension for FDA-approved drugs of up to five years beyond the expiration of the patent. The length of the patent term extension is related to the length of time the drug is under regulatory review and diligence during the review process. Patent term extensions cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, and only one patent covering an approved drug or its method of use may be extended. A similar kind of patent extension, referred to as a Supplementary Protection Certificate, is available in Europe. Legal frameworks are also available in certain other jurisdictions to extend the term of a patent. We currently intend to seek patent term extensions on any of our issued patents in any jurisdiction where we have a qualifying patent and the extension is available; however, there is no guarantee that the applicable regulatory authorities, including the FDA in the United States, will agree with our assessment of whether such extensions should be granted, and even if granted, the length of such extensions. Further, even if our patent is extended, the patent, including the extended portion of the patent, may be held invalid or unenforceable by a court of final jurisdiction in the United States or a foreign country.

Our current issued patents covering the composition of matter for our present clinical candidates trilaciclib and G1T38 will expire in 2031, exclusive of any patent term extension, and patent applications covering our clinical candidate G1T48 will expire in 2036, if issued and exclusive of any patent term extension. Our pending applications on additional methods of use of our clinical candidates, should they issue, will expire on dates ranging from 2034 to 2037. We plan to file additional applications on aspects of our innovations that may have patent terms that extend beyond these dates. However, any of our patents, including patents that we may rely on to protect our market for approved drugs, may be held invalid or unenforceable by a court of final jurisdiction. Alternatively, we may decide that it is in our interest to settle a litigation in a manner that affects the term or enforceability of our patent. Changes in either the patent laws or in interpretations of patent laws in the United States and other countries may diminish our ability to protect our inventions and enforce our intellectual property rights. Accordingly, we cannot predict the breadth or enforceability of claims that have been or may be granted in our patents or in third-party patents. The biotechnology and pharmaceutical industries are characterized by extensive litigation regarding patents and other intellectual property rights. Our ability to obtain and maintain our proprietary position for our CDK4/6 inhibitors and technology will depend on our success in enforcing the claims that have been granted or may grant. We do not know whether any of the pending patent applications that we have filed or may file or license from third parties will result in the issuance of any additional patents. The issued patents that we own or may receive in the future may be challenged, invalidated, or circumvented, and the rights granted under any issued patents may not provide us with sufficient protection or competitive advantages against competitors with similar technology. Furthermore, our competitors may be able to independently develop and commercialize drugs with similar mechanisms of action and duplicate our methods of treatments or strategies without infringing our patents. Because of the extensive time required for clinical development and regulatory review of a drug we may develop, it is possible that, before any of our drugs can be commercialized, any related patent may expire or remain in force for only a short period following commercialization, thereby reducing any advantage of any such patent.

Trilaciclib and G1T38 patent coverage

We own two issued U.S. Patents (U.S. 8,598,186 and U.S. 8,598,197) and one allowed U.S. application covering the trilaciclib compositions-of-matter and its pharmaceutical composition. We also own three issued U.S. Patents (U.S. 8,598,186; U.S. 8,598,197; and U.S. 9,481,691) and one allowed U.S. application covering the G1T38 composition-of-matter and pharmaceutical composition. We own corresponding issued patents covering trilaciclib and G1T38 and their pharmaceutical compositions in Europe, Canada, Japan, Mexico, China, Australia, Russia, and Singapore. There are additional pending applications covering these compounds and compositions in Europe, China, Brazil, Canada, Israel, India, Japan, South Korea, Mexico and Russia. The expected year of expiration for these composition-of-matter patents, where issued, valid and enforceable, is 2031, without regard to any extensions, adjustments, or restorations of term that may be available under national law.

In addition, we own an issued U.S. Patent (U.S. 9,487,530) and one pending U.S. application covering the use of trilaciclib to reduce the effect of chemotherapy on healthy cells in a subject being treated for CDK4/6 replication independent cancer. This patent family covers, for example, SCLC treatment protocols involving chemotherapeutic agents carboplatin, etoposide, and/or topotecan along with trilaciclib for protection of healthy replicating cells like hematopoietic stem and progenitor cells. The patent filing also covers chemoprotection of healthy replicating cells with trilaciclib during the treatment of CDK4/6 independent cancer including triple negative breast cancer. This patent filing is also pending in Europe, Canada, China, Hong Kong and Japan. In January 2018, this patent filing was allowed in China. The expected year of expiration for this patent family, where issued, valid and enforceable, is 2034, without regard to any extensions, adjustments, or restorations of term that may be available under national law.

We also own a U.S. application that covers an advantageous pharmacokinetic profile target of trilaciclib for the protection of hematopoietic stem and progenitor cells during chemotherapy. The expected year of expiration for this patent application, if issued, valid and enforceable, is 2036, without regard to any extensions, adjustments, or restorations of term that may be available under U.S. law.

We have filed an international application under the Patent Cooperation Treaty that covers the administration of trilaciclib in combination with a PD-L1 inhibitor such as Tecentriq. The expected year of expiration for this patent family, where issued, valid and enforceable, is 2037, without regard to any extensions, adjustments, or restorations of term that may be available under national law.

In addition, we own a U.S. application that is directed to the treatment of retinoblastoma protein-negative, or RB-negative, tumors with the administration of a topoisomerase inhibitor in combination with trilaciclib, to protect hematopoietic stem and progenitor cells during chemotherapeutic treatment. The expected year of expiration of this patent application, if issued, valid and enforceable, is 2035, without regard to any extensions, adjustments, or restorations of term that may be available under U.S. law.

We own two patent families that are directed to the use of G1T38 to treat RB-positive tumors. The first family includes an issued U.S. Patent (U.S. 9,527,857) and one pending U.S. application directed to the treatment of RB-positive cancers with G1T38. The issued patent covers the use of G1T38, to treat RB-positive breast cancer, colon cancer, ovarian cancer, NSCL cancer, prostate cancer, and glioblastoma. This patent filing is also pending in Europe, Canada, China, Hong Kong and Japan. The expected year of expiration for this patent family, where issued, valid and enforceable, is 2034, without regard to any extensions, adjustments, or restorations of term that may be available under national law. The second family includes a U.S. patent application and a European patent application directed to the treatment of RB-positive cancers with G1T38 with additional active agents. The expected year of expiration for this patent family, where issued, valid and enforceable, is 2035, without regard to any extensions, adjustments, or restorations of term that may be available under national law.

We own a patent family directed to the use of G1T38 as an anti-neoplastic agent against a T or B cell cancer. This patent filing is also pending in Europe, Canada, China and Japan. The expected year of expiration for this patent family, where issued, valid and enforceable, is 2034, without regard to any extensions, adjustments, or restorations of term that may be available under national law.

We have filed a patent application that covers the administration of G1T38 in combination with an EGFR inhibitor. The expected year of expiration for this patent, where issued, valid and enforceable, is 2038, without regard to any extensions, adjustments, or restorations of term that may be available under national law.

G1T48 Patent Coverage

We have exclusively licensed from University of Illinois, or UIC, three international applications filed under the Patent Cooperation Treaty and two U.S. pending applications that cover G1T48 and related compounds and their pharmaceutical compositions and use as selective estrogen receptor down-regulators. The expected year of expiration for this patent family, where issued, valid and enforceable, is 2036, without regard to any extensions, adjustments, or restorations of term that may be available under national law. Under the Exclusive License Agreement with UIC, G1 has the right to prosecute the licensed applications, subject to review by UIC.

We co-own, along with UIC, one U.S. patent application, which converted to a PCT application on January 6, 2018, directed to the combination of G1T48 and related compounds with G1T38 and related compounds for the treatment of estrogen-modulated disorders such as RB-positive breast cancer. We have exclusively licensed UIC’s rights in this co-owned application. The expected year of expiration for this patent family, where issued, valid and enforceable, is 2037, without regard to any extensions, adjustments, or restorations of term that may be available under national law.

A number of our pending patent applications covering certain aspects of using our current clinical candidates have not yet issued. As with other biotechnology and pharmaceutical companies, our ability to obtain and maintain a proprietary position on our drug candidates and technologies will depend on our success in obtaining effective patent claims on these pending patents and enforcing those claims if granted. However, our pending patent applications, and any patent applications that we may in the future file or license from third parties, may not result in the issuance of patents. We also cannot predict the breadth of claims that may be allowed or enforced in our patents.

Any issued patents that we have received or may receive in the future may be challenged, invalidated or circumvented. In addition, because of the extensive time required for clinical development and regulatory review of a drug candidate we may develop, it is possible that, before any of our drug candidates can be commercialized, any related patent may expire or remain in force for only a short period following commercialization, thereby limiting protection such patent would afford the respective product and any competitive advantage such patent may provide. Moreover, even our issued patents do not guarantee us the right to practice our technology in relation to the commercialization of our clinical candidates. The area of patent and other intellectual property rights in pharmaceuticals is an evolving one with many risks and uncertainties, and third parties may have blocking patents that could be used to prevent us from commercializing our clinical candidates.

Exclusive license for G1T48

In November 2016, we entered into a license agreement with the University of Illinois, or UIC, pursuant to which we obtained an exclusive, worldwide license to make, have made, use, import, sell and offer for sale of certain SERDs, including G1T48, covered by patent rights owned UIC. The rights licensed to us are for all fields of use.

Under the terms of the agreement we paid a one-time only, non-refundable upfront fee of $500,000, and we are required to pay UIC low single-digit royalties on all net sales of products and a share of any sublicensing revenues. We are also obligated to pay annual maintenance fees, which are fully creditable against any royalty payments made by us. We may also be required to pay UIC milestone payments of up to an aggregate of $2.625 million related to the initiation and execution of clinical trials and first commercial sale of a product in multiple countries. We are responsible for all future patent prosecution costs.

The term of the license agreement will continue on a country-by-country basis 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. UIC may terminate the agreement in the event (i) we fail to pay any amount or make any report when required to be made and fail to cure such failure within 30 days after receipt of notice, (ii) we are in breach of any provision of the agreement and fail to remedy such breach within 45 days after receipt of notice, (iii) we make a report to UIC under the agreement that is determined to be materially false, (iv) we declare insolvency or bankruptcy or (v) we take any action that causes patent rights or technical information to be subject to any lien or encumbrance and fail to remedy within 45 days of receipt of notice. We may terminate the agreement at any time upon at least 90 days’ written notice. Upon expiration or termination of the agreement, all rights revert to UIC.

Trade secrets

In addition to patents, we rely upon unpatented trade secrets and know-how and continuing technological innovation to develop and maintain our competitive position. We seek to protect our proprietary information, in part, using confidentiality agreements with our commercial partners, collaborators, employees, and consultants, and invention assignment agreements with our employees. These agreements are designed to protect our proprietary information and, in the case of the invention assignment agreements, to grant us ownership of technologies that are developed through a relationship with a third party. These agreements may be breached, and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our commercial partners, collaborators, employees, and consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Government regulation and product approval

FDA approval process

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

Pharmaceutical product development in the United States typically involves the performance of nonclinical laboratory and animal tests, the submission to the FDA of an investigational new drug application, or IND, which must become effective before clinical testing may commence, and adequate, well-controlled clinical trials to establish the safety and effectiveness of the drug for each indication for which FDA approval is sought. Satisfaction of FDA pre-market approval requirements typically takes many years, and the actual time required may vary substantially based upon the type, complexity, and novelty of the product or disease.

Preclinical tests include laboratory evaluation of product chemistry, formulation, and toxicity, as well as animal studies to assess the characteristics and potential safety and efficacy of the product. The conduct of the preclinical and other nonclinical tests must comply with certain federal regulations and requirements, including good laboratory practices. The results of preclinical testing are submitted to the FDA as part of an IND along with other information, including information about product chemistry, manufacturing and controls, and a proposed clinical trial protocol. Long-term nonclinical tests, such as animal tests of reproductive toxicity and carcinogenicity, may continue after the IND is submitted.

A 30-day waiting period after the submission of each IND is required prior to the commencement of clinical testing in humans. If the FDA has neither commented on nor questioned the IND within this 30-day period, the clinical trial proposed in the IND may begin.

Clinical trials involve the administration of the investigational new drug to healthy volunteers or patients under the supervision of a qualified investigator. Clinical trials must be conducted: (i) in compliance with federal regulations, including those encompassing good clinical practice, or GCP, requirements that are meant to protect the rights and health of patients and to define the roles of clinical trial sponsors, investigators, and monitors, and (ii) under protocols detailing the objectives of the clinical trial, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. Each protocol involving testing on U.S. patients and subsequent protocol amendments must be submitted to the FDA as part of the IND.

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

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

After completion of the required clinical testing, an NDA is prepared and submitted to the FDA. FDA approval of the NDA is required before marketing of the product may begin in the United States. The NDA must include the results of all nonclinical, clinical, and other testing and a compilation of data relating to the product's pharmacology, chemistry, manufacture, and controls. The cost of preparing and submitting an NDA is substantial. Under federal law, the submission of most NDAs is additionally subject to a substantial application user fee, currently $2,038,100 for an NDA with clinical information, and the manufacturer and/or sponsor under an approved NDA is also subject to annual product and establishment user fees, currently $97,750 per product and $512,200 per establishment. These fees are typically increased annually.

The FDA has 60 days from its receipt of an NDA to determine whether the application will be accepted for filing based on the agency's threshold determination that it is sufficiently complete to permit substantive review. Once the submission is accepted for filing, the FDA begins an in-depth review. The FDA has agreed to certain performance goals in the review of NDAs. The FDA seeks to review applications for standard review drug products within ten months, and applications for priority review drugs within six months. Priority review can be applied to drugs intended to treat a serious condition and that the FDA determines offer major advances in treatment, or provide a treatment where no adequate therapy exists. The review process for both standard and priority review may be extended by FDA for three additional months to consider certain late-submitted information, or information intended to clarify information already provided in the submission.

The FDA may also refer applications for novel drug products, or drug products that present difficult questions of safety or efficacy, to an advisory committee, which is typically a panel that includes clinicians and other experts, for review, evaluation, and a recommendation as to whether the application should be approved. The FDA is not bound by the recommendation of an advisory committee, but it generally follows such recommendations. Before approving an NDA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP. Additionally, the FDA will inspect the facility or the facilities at which the drug is manufactured. The FDA will not approve the product unless compliance with current good manufacturing practice, or cGMP, requirements is satisfactory and the NDA contains data that provide substantial evidence that the drug is safe and effective in the indication studied.

After the FDA evaluates the NDA and the manufacturing facilities, it issues either an approval letter or a complete response letter. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional testing, or information, in order for the FDA to reconsider the application. If, or when, those deficiencies have been addressed to the FDA's satisfaction in a resubmission of the NDA, the FDA will issue an approval letter. The FDA has committed to reviewing such resubmissions in two or six months depending on the type of information included.

An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications. As a condition of NDA approval, the FDA may require a risk evaluation and mitigation strategy, or REMS, to help ensure that the benefits of the drug outweigh the potential risks. REMS can include medication guides, communication plans for health care professionals, and elements to assure safe and effective use, or ETASU. ETASU can include, but are not limited to, special training or certification for prescribing or dispensing, dispensing only under certain circumstances, special monitoring, and the use of patient registries. The requirement for a REMS can materially affect the potential market and profitability of the drug. Moreover, product approval may require substantial post-approval testing and surveillance to monitor the drug's safety or efficacy. Once granted, product approvals may be withdrawn if compliance with regulatory requirements is not maintained or problems are identified following initial marketing.

Disclosure of clinical trial information

Sponsors of clinical trials of certain FDA-regulated products, including prescription drugs, are required to register and disclose certain clinical trial information on a public website maintained by the U.S. National Institutes of Health. Information related to the product, patient population, phase of investigation, clinical trial sites and investigator, and other aspects of the clinical trial is made public as part of the registration. Sponsors are also obligated to disclose the results of these clinical trials after completion if the product candidate is ultimately approved, and disclosure of the results of these clinical trials will be delayed until such approval. Competitors may use this publicly-available information to gain knowledge regarding the design and progress of our development programs.

The Hatch-Waxman act

Orange book listing

In seeking approval for a drug through an NDA, applicants are required to list with the FDA each patent whose claims cover the applicant's product. Upon approval of a drug, each of the patents listed in the application for the drug is then published in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations, commonly known as the Orange Book. Drugs listed in the Orange Book can, in turn, be cited by potential generic competitors in support of approval of an abbreviated new drug application, or ANDA. An ANDA provides for marketing of a drug product that has the same active ingredients in the same strengths and dosage form as the listed drug and has been shown through bioequivalence testing to be therapeutically equivalent to the listed drug. Other than the requirement for bioequivalence testing, ANDA applicants are not required to conduct, or submit results of, nonclinical or clinical tests to prove the safety or effectiveness of their drug product. Drugs approved in this way are commonly referred to as "generic equivalents" to the listed drug, and can often be substituted by pharmacists under prescriptions written for the original listed drug.

The ANDA applicant is required to certify to the FDA concerning any patents listed for the approved product in the FDA's Orange Book. Specifically, the applicant must certify that: (i) the required patent information has not been filed; (ii) the listed patent has expired; (iii) the listed patent has not expired, but will expire on a particular date and approval is sought after patent expiration; or (iv) the listed patent is invalid or will not be infringed by the new product. The ANDA applicant may also elect to submit a section viii statement, certifying that its proposed ANDA label does not contain or carve out any language regarding the patented method-of-use, rather than certify to a listed method-of-use patent.

If the applicant does not challenge the listed patents, the ANDA application will not be approved until all the listed patents claiming the referenced product have expired. A certification that the new product will not infringe the already approved product's listed patents, or that such patents are invalid, is called a Paragraph IV certification. If the ANDA applicant has provided a Paragraph IV certification to the FDA, the applicant must also send notice of the Paragraph IV certification to the NDA and patent holders once the ANDA has been accepted for filing by the FDA. The NDA and patent holders may then initiate a patent infringement lawsuit in response to the notice of the Paragraph IV certification. The filing of a patent infringement lawsuit within 45 days of the receipt of a Paragraph IV certification automatically prevents the FDA from approving the ANDA until the earlier of 30 months, expiration of the patent, settlement of the lawsuit, or a decision in the infringement case that is favorable to the ANDA applicant.

The ANDA application also will not be approved until any applicable non-patent exclusivity listed in the Orange Book for the referenced product has expired.

Exclusivity

Upon NDA approval of a new chemical entity or NCE, which is a drug that contains no active moiety that has been approved by the FDA in any other NDA, that drug receives five years of marketing exclusivity during which time the FDA cannot receive any ANDA seeking approval of a generic version of that drug. Certain changes to a drug, such as the addition of a new indication to the package insert, are associated with a three-year period of exclusivity during which the FDA cannot approval an ANDA for a generic drug that includes the change.

An ANDA may be submitted one year before NCE exclusivity expires if a Paragraph IV certification is filed. If there is no listed patent in the Orange Book, there may not be a Paragraph IV certification, and, thus, no ANDA may be filed before the expiration of the exclusivity period.

Patent term extension

After NDA approval, owners of relevant drug patents may apply for up to a five-year patent term extension. The allowable patent term extension is calculated as half of the drug's testing phase—the time between when the IND becomes effective and NDA submission—and all of the review phase—the time between NDA submission and approval, up to a maximum of five years. The time can be shortened if FDA determines that the applicant did not pursue approval with due diligence. The total patent term after the extension may not exceed 14 years.

For patents that might expire during the application phase, the patent owner may request an interim patent extension. An interim patent extension increases the patent term by one year and may be renewed up to four times. For each interim patent extension granted, the post-approval patent extension is reduced by one year. The director of the PTO must determine that approval of the drug covered by the patent for which a patent extension is being sought is likely. Interim patent extensions are not available for a drug for which an NDA has not been submitted.

Advertising and promotion

Once an NDA is approved, a product will be subject to certain post-approval requirements. For instance, FDA closely regulates the post-approval marketing and promotion of drugs, including standards and regulations for direct-to-consumer advertising, off-label promotion, industry-sponsored scientific and educational activities and promotional activities involving the internet. Drugs may be marketed only for the approved indications and in accordance with the provisions of the approved labeling. Changes to some of the conditions established in an approved application, including changes in indications, labeling, or certain manufacturing processes or facilities, require submission and FDA approval of a new NDA or NDA supplement before the change can be implemented. An NDA supplement for a new indication typically requires clinical data similar to that in the original application, and the FDA uses the same procedures and actions in reviewing NDA supplements as it does in reviewing NDAs.

Adverse event reporting and cGMP compliance

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

Pediatric information

Under the Pediatric Research Equity Act, or PREA, NDAs or supplements to NDAs must contain data to assess the safety and effectiveness of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the drug is safe and effective. The sponsor must submit an initial Pediatric Study Plan, or PSP, within 60 days of an end-of-phase 2 meeting or as may be agreed between the sponsor and the FDA. The initial PSP must include an outline of the pediatric study or studies that the sponsor plans to conduct, including study objectives and design, age groups, relevant endpoints and statistical approach, or a justification for not including such detailed information, and any request for a deferral of pediatric assessments or a full or partial waiver of the requirement to provide data from pediatric studies along with supporting information. The FDA and the sponsor must reach agreement on the PSP. A sponsor can submit amendments to an agreed-upon initial PSP at any time if changes to the pediatric plan need to be considered based on data collected from nonclinical studies, early phase clinical trials, and/or other clinical development programs. The FDA may grant full or partial waivers, or deferrals, for submission of data.

The Best Pharmaceuticals for Children Act, or BPCA, provides NDA holders a six-month extension of any exclusivity—patent or non-patent—for a drug if certain conditions are met, including satisfaction of a pediatric trial as described above. Conditions for exclusivity include the FDA's determination that information relating to the use of a new drug in the pediatric population may produce health benefits in that population, the FDA making a written request for pediatric clinical trials, and the applicant agreeing to perform, and reporting on, the requested clinical trials within the statutory timeframe. Applications under the BPCA are treated as priority applications, with all of the benefits that designation confers.

Special protocol assessment

A company may reach an agreement with FDA under the Special Protocol Assessment, or SPA, process as to the required design and size of clinical trials intended to form the primary basis of an efficacy claim. Under the FDC Act and FDA guidance implementing the statutory requirement, an SPA is generally binding upon the FDA except in limited circumstances, such as if the FDA identifies a substantial scientific issue essential to determining safety or efficacy after the clinical trial begins, public health concerns emerge that were unrecognized at the time of the protocol assessment, the sponsor and FDA agree to the change in writing, or if the clinical trial sponsor fails to follow the protocol that was agreed upon with the FDA.

Expedited review and approval

The FDA has various programs, including Fast Track, priority review, accelerated approval and breakthrough designation which are intended to expedite or simplify the process for reviewing drugs, and/or provide for approval on the basis of surrogate endpoints. Even if a drug qualifies for one or more of these programs, the FDA may later decide that the drug no longer meets the conditions for qualification or that the time period for FDA review or approval will not be shortened. Generally, drugs that may be eligible for these programs are those for serious or life-threatening conditions, those with the potential to address unmet medical needs, and those that offer meaningful benefits over existing treatments. For example, Fast Track is a process designed to facilitate the development, and expedite the review, of drugs to treat serious diseases and fill an unmet medical need. The request may be made at the time of IND submission and generally no later than the pre-NDA meeting. The FDA will respond within 60 calendar days of receipt of the request. Priority review, which is requested at the time of NDA submission, is designed to give drugs that offer major advances in treatment or provide a treatment where no adequate therapy exists an initial review within six months as compared to a standard review time of ten months. Although Fast Track and priority review do not affect the standards for approval, the FDA will attempt to facilitate early and frequent meetings with a sponsor of a Fast Track designated drug and expedite review of the application for a drug designated for priority review. Accelerated approval provides an earlier approval of drugs to treat serious diseases, and that fill an unmet medical need based on a surrogate endpoint, which is a laboratory measurement or physical sign used as an indirect or substitute measurement representing a clinically meaningful outcome. Discussions with the FDA about the feasibility of an accelerated approval typically begin early in the development of the drug in order to identify, among other things, an appropriate endpoint. As a condition of approval, the FDA may require that a sponsor of a drug receiving accelerated approval perform post-marketing clinical trials to confirm the appropriateness of the surrogate marker clinical trial.

Another expedited program is that for Breakthrough Therapy. A Breakthrough Therapy designation is designed to expedite the development and review of drugs that are intended to treat a serious condition where preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over available therapy on a clinically significant endpoint(s). A sponsor may request Breakthrough Therapy designation at the time that the IND is submitted, or no later than at the end-of-Phase 2 meeting. The FDA will respond to a Breakthrough Therapy designation request within sixty days of receipt of the request. A drug that receives Breakthrough Therapy designation is eligible for all fast track designation features, intensive guidance on an efficient drug development program, beginning as early as Phase 1 and commitment from the FDA involving senior managers.

Regulation of companion diagnostic devices

If we decide that a diagnostic test would provide useful information for patient selection or if the FDA requires us to develop such a test, we may work with a collaborator to develop an *in vitro* diagnostic, or companion test.

The FDA regulates *in vitro* diagnostic tests as medical devices, and the type of regulation to which such a test will be subjected will depend, in part, on a risk assessment by the FDA as well as a determination of whether the test is intended to yield results that would be helpful to know versus one that the FDA or we believe is necessary to know for the safe and effective use of our drugs under development.

The FDA issued Guidance on In-Vitro Companion Diagnostic Devices in August 2014, which is intended to assist companies developing *in vitro* companion diagnostic devices and companies developing therapeutic products that depend on the use of a specific *in vitro* companion diagnostic for the safe and effective use of the product. The FDA defined an *in vitro* companion diagnostic device, or IVD companion diagnostic device, as a device that provides information that is essential for the safe and effective use of a corresponding therapeutic product. The use of an IVD companion diagnostic device with a therapeutic product will be stipulated in the instructions for use in the labeling of both the diagnostic device and the corresponding therapeutic product, including the labeling of any generic equivalents of the therapeutic product. The FDA expects that the therapeutic product sponsor will address the need for an approved or cleared IVD companion diagnostic device in its therapeutic product development plan and that, in most cases, the therapeutic product and its corresponding companion diagnostic will be developed contemporaneously.

Europe/Rest of world government regulation

In addition to regulations in the United States, we are and will be subject, either directly or through our distribution partners, to a variety of regulations in other jurisdictions governing, among other things, clinical trials and commercial sales and distribution of our products, if approved.

Whether or not we obtain FDA approval for a product, we must obtain the requisite approvals from regulatory authorities in non-U.S. countries prior to the commencement of clinical trials or marketing of the product in those countries. Certain countries outside of the United States have a process that requires the submission of a clinical trial application much like an IND prior to the commencement of human clinical trials. In Europe, for example, a clinical trial application, or CTA, must be submitted to the competent national health authority and to independent ethics committees in each country in which a company plans to conduct clinical trials. Once the CTA is approved in accordance with a country's requirements, clinical trials may proceed in that country.

The requirements and process governing the conduct of clinical trials, product licensing, pricing and reimbursement vary from country to country, even though there is already some degree of legal harmonization in the European Union member states resulting from the national implementation of underlying E.U. legislation. In all cases, the clinical trials are conducted in accordance with GCP and other applicable regulatory requirements.

To obtain regulatory approval of a new drug, or medicinal product in the European Union sponsor must obtain approval of a marketing authorization application. The way in which a medicinal product can be approved in the European Union depends on the nature of the medicinal product

The centralized procedure results in a single marketing authorization granted by the European Commission that is valid across the European Union, as well as in Iceland, Liechtenstein and Norway. The centralized procedure is compulsory for human drugs that are: (i) derived from biotechnology processes, such as genetic engineering, (ii) contain a new active substance indicated for the treatment of certain diseases, such as HIV/AIDS, cancer, diabetes, neurodegenerative diseases, autoimmune and other immune dysfunctions and viral diseases, (iii) officially designated "orphan drugs" (drugs used for rare human diseases) and (iv) advanced-therapy medicines, such as gene-therapy, somatic cell-therapy or tissue-engineered medicines. The centralized procedure may at the request of the applicant also be used for human drugs which do not fall within the above mentioned categories if the human drug (a) contains a new active substance which was not authorized in the

European Community; or (b) the applicant shows that the medicinal product constitutes a significant therapeutic, scientific or technical innovation or that the granting of authorization in the centralized procedure is in the interests of patients or animal health at the European Community level.

Under the centralized procedure in the European Union, the maximum timeframe for the evaluation of a marketing authorization application by the EMA is 210 days (excluding clock stops, when additional written or oral information is to be provided by the applicant in response to questions asked by the Committee for Medicinal Products for Human Use, or CHMP), with adoption of the actual marketing authorization by the European Commission thereafter. Accelerated evaluation might be granted by the CHMP in exceptional cases, when a medicinal product is expected to be of a major public health interest from the point of view of therapeutic innovation, defined by three cumulative criteria: the seriousness of the disease to be treated; the absence of an appropriate alternative therapeutic approach, and anticipation of exceptional high therapeutic benefit. In this circumstance, EMA ensures that the evaluation for the opinion of the CHMP is completed within 150 days and the opinion issued thereafter.

The mutual recognition procedure, or MRP, for the approval of human drugs is an alternative approach to facilitate individual national marketing authorizations within the European Union. Basically, the MRP may be applied for all human drugs for which the centralized procedure is not obligatory. The MRP is applicable to the majority of conventional medicinal products, and is based on the principle of recognition of an already existing national marketing authorization by one or more member states.

The characteristic of the MRP is that the procedure builds on an already existing marketing authorization in a member state of the E.U. that is used as reference in order to obtain marketing authorizations in other E.U. member states. In the MRP, a marketing authorization for a drug already exists in one or more member states of the E.U. and subsequently marketing authorization applications are made in other European Union member states by referring to the initial marketing authorization. The member state in which the marketing authorization was first granted will then act as the reference member state. The member states where the marketing authorization is subsequently applied for act as concerned member states.

The MRP is based on the principle of the mutual recognition by European Union member states of their respective national marketing authorizations. Based on a marketing authorization in the reference member state, the applicant may apply for marketing authorizations in other member states. In such case, the reference member state shall update its existing assessment report about the drug in 90 days. After the assessment is completed, copies of the report are sent to all member states, together with the approved summary of product characteristics, labeling and package leaflet. The concerned member states then have 90 days to recognize the decision of the reference member state and the summary of product characteristics, labeling and package leaflet. National marketing authorizations shall be granted within 30 days after acknowledgement of the agreement.

Should any Member State refuse to recognize the marketing authorization by the reference member state, on the grounds of potential serious risk to public health, the issue will be referred to a coordination group. Within a timeframe of 60 days, member states shall, within the coordination group, make all efforts to reach a consensus. If this fails, the procedure is submitted to an EMA scientific committee for arbitration. The opinion of this EMA Committee is then forwarded to the Commission, for the start of the decision-making process. As in the centralized procedure, this process entails consulting various European Commission Directorates General and the Standing Committee on Human Medicinal Products or Veterinary Medicinal Products, as appropriate.

For other countries outside of the European Union, such as countries in Eastern Europe, Latin America or Asia, the requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary from country to country. In all cases, again, the clinical trials are conducted in accordance with GCP and the other applicable regulatory requirements.

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

Employees

As of December 31, 2017, we had 44 full-time employees, including 36 in research and development and eight in general and administrative functions. We have no collective bargaining agreements with our employees, and we have not experienced any work stoppages. We consider our relations with our employees to be good.

Available Information

Our internet address is www.g1therapeutics.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports, are available to you free of charge through the Investors section of our website as soon as reasonably practicable after such materials have been electronically filed with, or furnished to, the Securities and Exchange Commission, or the SEC. The information found on our website is not part of this or any other report we file with, or furnish to, the SEC.

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Management

Executive officers and directors

The following table provides information regarding our executive officers and directors as of January 31, 2018:

Name	Age	Position
Executive Officers:		
Mark A. Velleca, M.D., Ph.D.	54	Chief Executive Officer, President and Director
Rajesh K. Malik, M.D.	59	Chief Medical Officer
Terry L. Murdock	57	Senior Vice President of Development Operations
Barclay (Buck) A. Phillips	55	Chief Financial Officer and Senior Vice President, Corporate Development
Jay C. Strum, Ph.D.	54	Chief Scientific Officer
Jennifer K. Moses	43	Vice President of Finance and Administration
Non-Employee Directors:		
Seth A. Rudnick, M.D.	69	Chairman of the Board of Directors
Fredric N. Eshelman, Pharm.D.	69	Director
Glenn P. Muir	58	Director
Tyrell J. Rivers, Ph.D.	45	Director
Christy L. Shaffer, Ph.D.	59	Director
Sir Andrew P. Witty	53	Director

Executive officers

Mark A. Velleca, M.D., Ph.D., has served as our Chief Executive Officer, President and a member of our board of directors since May 2014. Prior to joining us, Dr. Velleca was a co-founder and served as Senior Vice President of CGI Pharmaceuticals, Inc., or CGI, a biopharmaceutical company, from 1999 to 2010, where he managed the company from its inception through clinical trials of multiple drug candidates. After CGI was acquired by Gilead Sciences, Inc., or Gilead, a biotechnology company, in 2010, Dr. Velleca served as a Senior Advisor to Gilead from 2010 to April 2012, where he worked to help build its oncology pipeline. Dr. Velleca has served on the board of directors of BioMarker Strategies, a private oncology diagnostics company, from 2010 to 2012, and on the scientific advisory boards of BioRelix Inc., a biopharmaceutical company, from 2007 to 2012 and Intellikine, Inc., a biopharmaceutical company, from 2007 to 2010. Dr. Velleca most recently served as Executive Vice President at The Leukemia & Lymphoma Society from April 2012 to April 2014. Dr. Velleca also served as an attending physician at Yale New Haven Hospital and on the faculty of the Yale University School of Medicine. Dr. Velleca received his B.S. from Yale University, and his M.D. and Ph.D. from Washington University in St. Louis. We believe that Dr. Velleca's perspective and experience as our Chief Executive Officer and President, as well as his depth of experience in the biotechnology industry, provide him with the qualifications and skills to serve on our board of directors.

Rajesh K. Malik, M.D., has served as our Chief Medical Officer since July 2014. He has over 20 years of experience in all phases of drug development in the pharmaceutical and biotechnology industry and academic medicine, with a focus in oncology. Prior to becoming our Chief Medical Officer, Dr. Malik served as a consultant for business, clinical and regulatory matters from May 2013 through July 2014, including as a consultant to our Company from July 2013 to June 2014. Prior to joining us, Dr. Malik served as Chief Medical Officer of Agennix AG, a German biotechnology company, from January 2007 to September 2013, and as a member of the management board of Agennix AG from November 2009 to September 2013. Dr. Malik also served as Chief Medical Officer of Adherex Technologies, Inc., a biopharmaceutical company, from September 2004 to January 2007. Dr. Malik also served as an attending physician at University of Virginia Medical Center and on the faculty of the University of Virginia School of Medicine. Dr. Malik received his M.B. and Ch.B. from the University of Sheffield Medical School.

Terry L. Murdock has served as our Senior Vice President of Development Operations since August 2017. Prior to joining us, Mr. Murdock served as Vice President, Development Solutions of the Oncology Center for Excellence at IQVIA Holdings Inc., or IQVIA, formerly Quintiles IMS Holdings, Inc., a publicly traded healthcare services company, from September 2014 to August 2015, and then as Vice President, Global Head of the Oncology Center for Excellence at IQVIA from August 2015 to July 2017, where he was responsible for leading cross-functional teams to provide customers with innovative designs or clinical delivery strategies to advance and optimize oncology assets. Prior to his tenure with IQVIA, Mr. Murdock served as President North America and a member of the board of directors of Ergomed Clinical Research, Inc., a wholly owned subsidiary of Ergomed plc, a publicly traded British pharmaceutical services company; Senior Vice President of ILEX Oncology Inc., or ILEX, and later Genzyme Corporation, a British biotechnology company, following its acquisition of ILEX, where he was responsible for the Phase 3 development, approval, and launch of LEMTRADA® in oncology and autoimmune indications; and Vice President at The US Oncology Network, a healthcare services company. Mr. Murdock received his M.S. and B.S. from the University of Texas at Arlington.

Barclay (Buck) A. Phillips has served as our Chief Financial Officer and Senior Vice President, Corporate Development since November 2017. Prior to joining us, Mr. Phillips served as Senior Vice President, Chief Financial Officer and Treasurer of Novavax, Inc., a publicly traded biotechnology company, from June 2013 to November 2017, where he led financial operations and was part of the executive team responsible for corporate strategy and mergers and acquisitions. From September 2008 to April 2012, Mr. Phillips served as Senior Vice President and Chief Financial Officer at Micromet, Inc., which was acquired by Amgen Inc. in 2012 for $1.2 billion. Earlier in his career, Mr. Phillips served as Managing Director at Vector Fund Management, L.P., a former venture capital firm, and Biotechnology Analyst and Director of Venture Investments at Invesco Funds Group, Inc., a privately held mutual fund management company. Mr. Phillips received his B.A. in economics from the University of Colorado at Boulder.

Jay C. Strum, Ph.D., has served as our Chief Scientific Officer since 2009, and in addition to this role, served as our President and a member of our board of directors from 2011 until 2014. Prior to joining us, Dr. Strum served as a scientist, manager and then Director of the Genomics Division at GlaxoSmithKline plc, or GSK, a British pharmaceutical company, from May 1995 to February 2009, where he developed drugs in multiple therapeutic areas and target classes with a focus on kinases. In his role as a manager at GSK, Dr. Strum served as a program leader of interdisciplinary research and development teams in early drug discovery in metabolic diseases and oncology, and he contributed to the discovery of numerous drug candidates and the development of three approved drugs, including TYKERB. As the Director of the Genomics Division at GSK, he led the creation and operation of an international department responsible for supporting genomics research in all therapeutic areas within GSK. Dr. Strum is the author of more than 40 scientific publications and co-inventor of all intellectual property owned or co-owned by the Company that covers trilaciclib or G1T38 or their method of use, which consists of 11 patent families with five issued U.S. patents. Dr. Strum is also the co-inventor of another six patent families and six issued patents that cover additional compounds of interest. In total, Dr. Strum is a co-inventor of more than 75 applications that have entered the national phase of prosecution in countries outside the United States. Dr. Strum received his B.S. and B.A. from Western Carolina University and his Ph.D. in biochemistry from Wake Forest University.

Jennifer K. Moses has served as our Vice President of Finance and Administration since March 2015 and provided financial consulting services to our Company from October 2012 through February 2015. From October 2007 through February 2015, Ms. Moses was a partner of RankinMcKenzie, LLC, a professional finance and accounting services firm, and provided financial services to private companies. Previously, she was a senior manager in the tax services group at Deloitte LLP, where she served clients ranging from small, emerging growth companies to large, publicly traded companies. Ms. Moses received her B.S. from Pennsylvania State University and is a certified public accountant.

Non-employee directors

Seth A. Rudnick, M.D., has served as Chairman of our board of directors since May 2014 and as the Executive Chairman of our board of directors from January 2014 to May 2014. Dr. Rudnick also serves as a member of the boards of directors of several life sciences companies, including Pozen Inc., a publicly traded pharmaceutical company, and Liquidia Technologies, Inc., a privately held biotechnology company, for which he serves as Chairman of the board of directors. From 2012 until October 2015, he served as a member of the board of directors of Square 1 Financial Inc., a financial services company that was publicly traded until October 2015, and previously served on the boards of directors of more than a dozen other privately held biotechnology companies. From 1999 to December 2013, when he retired, Dr. Rudnick was a general partner at Canaan Partners, a venture capital firm that invests in companies in the technology and healthcare sectors. From 1986 to 1991, he was head of research and development at Johnson & Johnson's biotechnology company, Ortho Biotech, and from 1982 to 1986, Dr. Rudnick was head of pharmaceutical development at Biogen N.V. Dr. Rudnick received a B.A. from the University of Pennsylvania and an M.D. from the University of Virginia. We believe that Dr. Rudnick is qualified to serve as the Chairman of our board of directors based on his experience in the life sciences, biotechnology and pharmaceutical industries and for his knowledge of corporate development matters.

Fredric N. Eshelman, Pharm.D., has served as a member of our board of directors since February 2015. Dr. Eshelman founded Eshelman Ventures, LLC in March 2014, which invests in a variety of companies, primarily in the healthcare sector, and has served as a principal since its founding. Since September 2015, Dr. Eshelman has served as the Chairman of the board of directors of The Medicines Company, a publicly traded biopharmaceutical company. Dr. Eshelman also currently serves as Chairman of the board of directors of Eyenovia, Inc., a publicly traded biopharmaceutical company, where he has been a member of the board of directors since December 2014, and he has served on the board of directors of Valeant Pharmaceuticals International, Inc., a publicly traded Canadian pharmaceutical company, since March 2016. Dr. Eshelman previously served on the board of directors of Furiex Pharmaceuticals, a publicly traded biopharmaceutical company, from 2010 until July 2014, when it was sold to Forest Labs/Actavis, and of Pharmaceutical Product Development, Inc., a contract research organization that was publicly traded until 2011, from 1986 until 2011. Dr. Eshelman also served as Chief Executive Officer for Pharmaceutical Product Development, Inc., a biopharmaceutical company, from June 1990 to December 2011, as Senior Vice President, Development and a member of the board of directors of the former Glaxo Inc., a pharmaceutical company, from 1989 to 1990. He also serves on the boards of directors of a number of privately held biopharmaceutical companies. Dr. Eshelman also served on the executive committee of the Medical Foundation of North Carolina, the board of the North Carolina Biotechnology Center, and the Board of Trustees for the University of North Carolina—Wilmington. In addition, Dr. Eshelman serves as an adjunct professor at the University of North Carolina—Chapel Hill School of Pharmacy, where he chairs the Board of Visitors. Dr. Eshelman received his B.S. in pharmacy from the University of North Carolina—Chapel Hill, and a Pharm.D. from the

University of Cincinnati. We believe that Dr. Eshelman is qualified to serve as a member of our board of directors based on his experience in the life sciences, biotechnology and pharmaceutical industries and for his knowledge of corporate development matters.

Glenn P. Muir has served as a member of our board of directors since September 2015. Mr. Muir also has served as a member of the board of directors of a publicly traded life science company, Repligen Corporation, since September 2015, as well as a privately held biotechnology company, Neuronetics, Inc., since August 2017. From July 2014 until December 2017, Mr. Muir was a member of the board of directors of ReWalk Robotics Ltd., and from August 2014 until February 2017, Mr. Muir was a member of the board of directors of RainDance Technologies, Inc. From September 2000 until May 2014, when he retired, Mr. Muir served as Executive Vice President, Finance and Administration of Hologic, Inc., or Hologic, a publicly traded manufacturer and supplier of medical products, and was Hologic's Chief Financial Officer from 1992 until his May 2014 retirement. Mr. Muir served as the Controller of Hologic from October 1988 to 1992, including during its initial public offering in 1990. Mr. Muir served as a director of Hologic from 2001 through August 2013. Mr. Muir holds a B.B.A. with a major in accounting from the University of Massachusetts Amherst, an M.B.A. from the Harvard Graduate School of Business Administration and an M.Sc. in taxation from Bentley College Graduate School of Business. Mr. Muir is also a certified public accountant. We believe that Mr. Muir is qualified to serve as a member of our board of directors based on his experience in the life sciences, biotechnology and pharmaceutical industries and for his knowledge of financial and corporate development matters.

Tyrell J. Rivers, Ph.D., has served as a member of our board of directors since March 2017. Dr. Rivers is an Executive Director within AstraZeneca's Corporate Development group, having responsibility for strategic equity investments, mergers and acquisitions, and divestments and has served in this role since May 2014. Prior to joining AstraZeneca, Dr. Rivers was at MedImmune Ventures from October 2009 until May 2014 where he specialized in biotechnology investing, and at Merck & Co., Inc. from 2001 through 2007 where he led the technical support for multiple commercial vaccine franchises and subsequently directed global business initiatives for accessing key technologies for research and development. Dr. Rivers earned his B.S. in Chemical Engineering from the Massachusetts Institute of Technology, a Ph.D. in Chemical Engineering from University of Texas at Austin, and his M.B.A. from the New York University Stern School of Business. Dr. Rivers also serves on the board of directors for Armaron Bio Ltd., a private clinical stage biotechnology company, and Corvidia Therapeutics, a private biotechnology company. We believe Dr. Rivers is qualified to serve as a member of our board of directors based on his experience in the life sciences, biotechnology and pharmaceutical industries and his knowledge of corporate development matters.

Christy L. Shaffer, Ph.D., has served as a member of our board of directors since August 2012, and from 2012 until 2014, Dr. Shaffer served as the Executive Chairperson of our board of directors. Dr. Shaffer was the Chief Executive Officer and President of Inspire Pharmaceuticals, Inc., or Inspire, until her retirement in February 2010. Inspire is a biopharmaceutical company that was acquired by Merck & Co., Inc. in 2011. Following her retirement, Dr. Shaffer served as a consultant to Inspire until February 2012. From August 2011 to August 2015, Dr. Shaffer served as a Venture Partner of Hatteras Venture Partners, a venture capital firm with a focus on biopharmaceuticals and related opportunities in human medicine, and as a Managing Director of Hatteras Discovery, which is a part of Hatteras Venture Partners. Since August 2015, Dr. Shaffer has served as a General Partner of Hatteras Venture Partners. Dr. Shaffer has served as a member of the board of Clearside Biomedical Inc., a publicly traded biopharmaceutical company, since January 2012. Dr. Shaffer also serves as a member of the boards of directors of privately held life sciences companies, including Artizan Biosciences, Inc., Spyryx Biosciences, Inc., Trefoil Therapeutics, Inc., KinoDyn Inc., for which she serves as Chairperson of the board of directors, and GrayBug, Inc., for which she serves as Chairperson of the board of directors. In September 2008, the Securities and Exchange Commission approved a non-monetary settlement of its investigation relating to Inspire's disclosures in its periodic reports relating to a clinical trial. The Securities and Exchange Commission also approved a settlement with Dr. Shaffer, as Inspire's President and Chief Executive Officer and a member of its board of directors, under which she consented to a cease and desist order against future violations of Section 13(a) of the Exchange Act and Rules 12b-20 and 13a-13 thereunder. The cease and desist order followed a finding by the Securities and Exchange Commission that three Quarterly Reports on Form 10-Q filed by Inspire included misleading disclosure about a clinical trial, specifically that the trial was described as "confirmatory" and "replicating" the efficacy found in an earlier trial. Dr. Shaffer did not admit or deny any findings in the order, and the order did not include any finding of any violation of any statute or regulation that involved any intentional wrongdoing or fraud, any monetary payments or other sanctions or otherwise affect Dr. Shaffer's future employment status, nor did it prohibit Dr. Shaffer from serving in any capacity on public company boards of directors. Dr. Shaffer received her Ph.D. in Pharmacology from the University of Tennessee Health Science Center. We believe that Dr. Shaffer is qualified to serve as a member of our board of directors based on her experience in the life sciences, biotechnology and pharmaceutical industries and for her knowledge of corporate development matters.

Sir Andrew P. Witty has served as a member of our board of directors since July 2017. Mr. Witty has served as Chancellor of the University of Nottingham in England since 2013, and recently retired as Chief Executive Officer of GSK, a position he held from May 2008 until March 2017. Mr. Witty joined GSK in 1985 and served in a variety of roles in the U.K. and overseas, including South Africa, the U.S. and Singapore. Mr. Witty has served in numerous advisory roles to governments around the world including South Africa; Guangzhou, China; and the U.K., where he was a member of the Prime Minister's Business Advisory Group from 2010 until 2015. In 2012, Mr. Witty was awarded a knighthood for services to the U.K. pharmaceutical industry. In May 2016, Mr. Witty became a visiting professor at the Institute of Global Health Innovation at Imperial College, London. He has a joint honors B.A. in economics from the University of Nottingham, England. We believe that Mr. Witty is qualified to serve as a member of our board of directors based on his extensive experience in the pharmaceutical industry, including serving as a chief executive officer of a global pharmaceutical company.

Board composition

As of January 31, 2018, our board of directors consisted of seven members. Our nominating and corporate governance committee and our board of directors may consider a broad range of factors relating to the qualifications and background of nominees, which may include diversity, which is not only limited to race, gender or national origin. We have no formal policy regarding board diversity. Our nominating and corporate governance committee's and our board of directors' priority in selecting board members is identification of persons who will further the interests of our stockholders through his or her established record of professional accomplishment, the ability to contribute positively to the collaborative culture among board members, knowledge of our business, understanding of the competitive landscape and professional and personal experiences and expertise relevant to our growth strategy. Our directors hold office until their successors have been elected and qualified or until the earlier of their death, resignation or removal. Our amended and restated certificate of incorporation and amended and restated by-laws also provide that our directors may be removed only for cause by the affirmative vote of the holders of at least 75% of the votes that all our stockholders would be entitled to cast in an annual election of directors, and that any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may be filled only by vote of a majority of our directors then in office.

Director independence

Our board of directors has determined that all members of our board of directors, except Mark A. Velleca and Seth A. Rudnick, are independent directors, including for purposes of the rules of The Nasdaq Global Select Market and relevant federal securities laws and regulations. There are no family relationships among any of our directors or executive officers.

Staggered board

In accordance with the terms of our amended and restated certificate of incorporation and amended and restated by-laws, our board of directors is divided into three staggered classes of directors of the same or nearly the same number. At each annual meeting of the stockholders, a class of directors will be elected for a three-year term to succeed the directors of the same class whose terms are then expiring. The terms of the directors will expire upon the election and qualification of successor directors at the annual meeting of stockholders to be held during the years 2018 for Class I directors, 2019 for Class II directors and 2020 for Class III directors:

- our Class I directors are Tyrell J. Rivers and Christy L. Shaffer;
- our Class II directors are Seth A. Rudnick, Fredric N. Eshelman, and Andrew P. Witty; and
- our Class III directors are Mark A. Velleca and Glenn P. Muir.

Our amended and restated certificate of incorporation and amended and restated by-laws provide that the number of our directors shall be fixed from time to time by a resolution of the majority of our board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class shall consist of one third of the board of directors.

The division of our board of directors into three classes with staggered three-year terms may delay or prevent stockholder efforts to effect a change of our management or a change in control.

Committees of the board of directors

Our board of directors has an audit committee, a compensation committee and a nominating and corporate governance committee, which have the composition and responsibilities described below. Each of the below committees has a written charter approved by our board of directors. Each of the committees reports to our board of directors as such committee deems appropriate and as our board of directors may request. Copies of each charter are posted on the investor relations section of our website. Members serve on these committees until their resignation or until otherwise determined by our board of directors.

Audit committee

Our audit committee is comprised of Glenn P. Muir, Fredric N. Eshelman and Tyrell J. Rivers, with Mr. Muir serving as chairman of the committee. Our board of directors has determined that each member of the audit committee meets the independence requirements of Rule 10A-3 under the Exchange Act and the applicable Nasdaq Stock Market rules, and has sufficient knowledge in financial and auditing matters to serve on the audit committee. Our board of directors has determined that Mr. Muir is an “audit committee financial expert” within the meaning of the Securities and Exchange Commission, or SEC, regulations and the applicable rules of The Nasdaq Global Select Market. Our audit committee met four times during fiscal year 2017. The audit committee’s responsibilities include:

- selecting a firm to serve as the independent registered public accounting firm to audit our financial statements;
- ensuring the independence of the independent registered public accounting firm;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and that firm, our interim and year-end operating results;
- establishing procedures for employees to anonymously submit concerns about questionable accounting or audit matters;

- considering the effectiveness of our internal controls and internal audit function;
- reviewing material related-party transactions or those that require disclosure; and
- approving or, as permitted, pre-approving all audit and non-audit services to be performed by the independent registered public accounting firm.

Compensation committee

Our compensation committee is comprised of Glenn P. Muir, Christy L. Shaffer and Seth A. Rudnick, with Dr. Shaffer serving as chairman of the committee. Each member of this committee is a non-employee director, as defined by Rule 16b-3 promulgated under the Exchange Act, and an outside director, as defined pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended. Our board of directors has determined that Dr. Shaffer and Mr. Muir are “independent” as defined in the rules of The Nasdaq Stock Market. The composition of our compensation committee meets the requirements for independence under the listing standards of The Nasdaq Global Select Market, including the applicable transition rules. Although Dr. Rudnick is not currently an independent director as defined in Nasdaq’s listing rules due to his receipt of compensation as a member of our scientific and clinical advisory boards during calendar year 2015, our board of directors believes that Dr. Rudnick’s service on the compensation committee is required by the best interests of the Company and its stockholders due to his extensive knowledge and understanding of our Company and its business, as well as his many years of experience as a director of companies in the life sciences industry. Our compensation committee met two times during fiscal year 2017. The compensation committee’s responsibilities include:

- reviewing and approving, or recommending that our board of directors approve, the compensation of our executive officers;
- reviewing and recommending to our board of directors the compensation of our directors;
- reviewing and recommending to our board of directors the terms of any compensatory agreements with our executive officers;
- administering our stock and equity incentive plans;
- reviewing and approving, or making recommendations to our board of directors with respect to, incentive compensation and equity plans; and
- reviewing all overall compensation policies and practices.

Nominating and governance committee

Our nominating and governance committee is comprised of Christy L. Shaffer, Seth A. Rudnick and Andrew P. Witty, with Dr. Rudnick as the chairman of the committee. Our board of directors has determined that Dr. Shaffer and Mr. Witty are “independent” as defined in the applicable rules of The Nasdaq Global Select Market. Although Dr. Rudnick is not currently an independent director as defined in Nasdaq’s listing rules due to his receipt of compensation as a member of our scientific and clinical advisory boards during calendar year 2015, our board of directors believes that Dr. Rudnick’s service on the nominating and governance committee is required by the best interests of the Company and its stockholders due to his extensive knowledge and understanding of our Company and its business, as well as his many years of experience as a director of companies in the life sciences industry. Our nominating and governance committee met once during fiscal year 2017. The nominating and corporate governance committee’s responsibilities include:

- identifying and recommending candidates for membership on our board of directors;

- recommending directors to serve on board committees;
- reviewing and recommending our corporate governance guidelines and policies;
- reviewing proposed waivers of the code of conduct for directors and executive officers;
- evaluating, and overseeing the process of evaluating, the performance of our board of directors and individual directors; and
- assisting our board of directors on corporate governance matters.

Leadership structure and risk oversight

Our board of directors is currently chaired by Dr. Rudnick. As a general policy, our board of directors believes that separation of the positions of chairman and chief executive officer reinforces the independence of the board of directors from management, creates an environment that encourages objective oversight of management's performance and enhances the effectiveness of the board of directors as a whole. As such, Dr. Velleca serves as our President and Chief Executive Officer while Dr. Rudnick serves as our Chairman of the board of directors but is not an officer.

Our board of directors oversees the management of risks inherent in the operation of our business and the implementation of our business strategies. Our board of directors performs this oversight role by using several different levels of review. In connection with its reviews of the operations and corporate functions of our company, our board of directors addresses the primary risks associated with those operations and corporate functions. In addition, our board of directors reviews the risks associated with our company's business strategies periodically throughout the year as part of its consideration of undertaking any such business strategies.

Each of our board committees also oversees the management of our company's risk that falls within the committee's areas of responsibility. In performing this function, each committee has full access to management, as well as the ability to engage advisors. Our Chief Executive Officer reports to the audit committee and is responsible for identifying, evaluating and implementing risk management controls and methodologies to address any identified risks. In connection with its risk management role, our audit committee meets privately with representatives from our independent registered public accounting firm and our Chief Executive Officer. The audit committee oversees the operation of our risk management program, including the identification of the primary risks associated with our business and periodic updates to such risks, and reports to our board of directors regarding these activities.

Compensation committee interlocks and insider participation

None of the members of our compensation committee has at any time during the prior three years been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee. For a description of transactions between us and members of our compensation committee and affiliates of such members, please see the "Certain Relationships and Related Party Transactions" section.

Code of business conduct and ethics

We have adopted a code of business conduct and ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. Our code of business conduct and ethics is available on our website at www.g1therapeutics.com. We intend to disclose any amendments to the code, or any waivers of its requirements, on our website or in a Current Report on Form 8-K.

Executive and director compensation

Summary compensation table

The following table shows the total compensation paid or accrued during the fiscal years ended December 31, 2016 and December 31, 2017, to our Chief Executive Officer and President and our two next most highly compensated executive officers who earned more than $100,000 during the fiscal year ended December 31, 2017, and were serving as executive officers as of such date.

Name and principal position	Year	Salary ($)	Bonus ($)(1)	Option awards ($)(2)	401(k) match compensation ($)(3)	All other compensation ($)(4)	Total($)
Mark A. Velleca, M.D., Ph.D.	2017	467,617	262,500	—	8,100	—	738,217
Chief Executive Officer and President	2016	405,000	133,650	788,196	7,950	—	1,334,796
Terry L. Murdock(5) Senior Vice President of Development Operations	2017	142,500	50,374	897,326	—	61,875	1,152,075
Barclay (Buck) A. Phillips(6) Chief Financial Officer and Senior Vice President, Corporate Development	2017	50,455	—	3,296,127	—	—	3,346,582

(1) 2017 amounts represent cash bonuses earned for the 12-month period from January 1, 2017 to December 31, 2017, and exclude payments made in 2017 for 2016 bonuses. 2016 amounts represent cash bonuses earned for the 12-month period from January 1, 2016 to December 31, 2016, and exclude payments made in 2016 for 2015 bonuses.

(2) These amounts represent the aggregate grant date fair value for option awards granted during our fiscal years ended December 31, 2017 and December 31, 2016, computed in accordance with FASB ASC Topic 718. A discussion of the assumptions used in determining grant date fair value may be found in Note 8 to our financial statements included elsewhere in this prospectus.

(3) These amounts represent matching contributions made by the Company for the Named Executive Officers under the Company's 401(k) plan. The Company's matching contribution is equal to 50% of the employee's deferrals under the plan up to 6% of the employee's compensation.

(4) These amounts represent relocation assistance payments.

(5) Mr. Murdock's employment commenced with us in August 2017. The 2017 salary and bonus amounts reported reflect the pro rata portion of Mr. Murdock's annual salary of $342,000 from commencement of his employment through December 31, 2017, and a pro rated bonus.

(6) Mr. Phillips's employment commenced with us in November 2017. The 2017 salary reported reflects the pro rata portion of Mr. Phillips's annual salary of $370,000 from commencement of his employment through December 31, 2017. Mr. Phillips was not eligible for a bonus in 2017 due to his start date occurring in the fourth quarter of 2017.

Narrative disclosure to summary compensation table

We have entered into executive employment agreements with each of our named executive officers in connection with their employment with us, the material terms of which are described below. These executive employment agreements provide for "at will" employment and obligate each named executive officer to refrain from disclosing any of our proprietary information received during the course of employment and to assign to us any inventions conceived or developed during the course of employment.

Mark A. Velleca, M.D., Ph.D.

We entered into an executive employment agreement with Dr. Velleca with respect to his service as Chief Executive Officer on May 19, 2014, which was subsequently amended on February 1, 2015, to reflect an increase to Dr. Velleca's annual base salary and the deletion of a provision providing for reimbursement of temporary housing and travel expenses in relation to his commute to our corporate headquarters, and on May 10, 2016, to reflect a subsequent increase to Dr. Velleca's annual base salary. Under the terms of the agreement, Dr. Velleca was entitled to an initial annual base salary of $405,000 and his current base salary is $500,000. Dr. Velleca is eligible to receive an annual bonus of up to 50% of his then-current base salary based on achievement of certain individual and corporate targets in the sole discretion of our board of directors. The agreement also provides for reimbursement of certain of Dr. Velleca's relocation expenses in an amount of up to $25,000, which reimbursement will occur upon Dr. Velleca's relocation. Pursuant to the agreement, Dr. Velleca is entitled to 12 months of his then-current base salary in the event we terminate his employment without Cause, as defined below, or Dr. Velleca terminates his employment with us for Good Reason, as defined below, subject to Dr. Velleca's execution of a release satisfactory to us following such termination.

Barclay (Buck) A. Phillips

We entered into an executive employment agreement with Mr. Phillips with respect to his service as Chief Financial Officer and Senior Vice President, Corporate Development on November 13, 2017. Under the terms of the agreement, Mr. Phillips is entitled to an initial annual base salary of $370,000. Mr. Phillips is eligible to receive an annual bonus of up to 35% of his then-current base salary based on achievement of certain individual and corporate targets in the sole discretion of our board of directors, and a $120,000 performance-based bonus to be paid upon delivery of a gap analysis of financial practices and procedures of the Company. The agreement also provides for reimbursement of certain of Mr. Phillips' relocation expenses in an amount of up to $100,000. Pursuant to the agreement, Mr. Phillips is entitled to 12 months of his then-current base salary in the event we terminate his employment without Cause, as defined below, or Mr. Phillips terminates his employment with us for Good Reason, as defined below, subject to Mr. Phillips' execution of a release satisfactory to us following such termination.

Terry L. Murdock

We entered into an executive employment agreement with Mr. Murdock with respect to his service as Senior Vice President of Development Operations on August 1, 2017. Under the terms of the agreement, Mr. Murdock is entitled to an initial annual base salary of $342,000. Mr. Murdock is eligible to receive an annual bonus of up to 35% of his then-current base salary based on achievement of certain individual and corporate targets in the sole discretion of our board of directors. The agreement also provides for reimbursement of certain of Mr. Murdock's relocation expenses in an amount of up to $100,000. Pursuant to the agreement, Mr. Murdock is entitled to 6 months of his then-current base salary in the event we terminate his employment without Cause, as defined below, or Mr. Murdock terminates his employment with us for Good Reason, as defined below, subject to Mr. Murdock's execution of a release satisfactory to us following such termination.

The following definitions apply to Dr. Velleca's, Mr. Phillips' and Mr. Murdock's executive employment agreements:

Cause is defined in each agreement as the employee's (i) fraud, embezzlement or misappropriation with respect to the Company, (ii) material breach of fiduciary duties to the Company, (iii) willful or negligent misconduct (in the case of Dr. Velleca, that has or may reasonably be expected to have a material adverse effect on the property, business, or reputation of the Company), (iv) material breach of the agreement, (v) willful failure or refusal to perform material duties under the agreement or failure to follow specific lawful instructions (of our board of directors, in the case of Dr. Velleca, or of the Company, in the case of Mr. Phillips and Mr. Murdock), (vi) conviction or plea of *nolo contendere* in respect of a felony or misdemeanor involving moral turpitude, (vii) alcohol or substance abuse that has a material adverse effect on the ability to perform duties under the agreement or (viii) engagement in a form of discrimination or harassment prohibited by law (including, without limitation, discrimination or harassment based on race, color, religion, sex, national origin, age or disability).

Good Reason is defined in each agreement as (i) a material reduction of base salary not generally applicable to other executive-level employees of the Company, (ii) a material diminution of authority, duties or responsibilities or (iii) the Company's material breach of the agreement. In the case of Mr. Phillips and Mr. Murdock, Good Reason also includes a relocation of the employee's primary workplace to a location that is more than 50 miles from the location of the employee's primary workplace as of the date of the agreement.

Outstanding equity awards at 2017 fiscal year end

The following table shows grants of stock options outstanding on the last day of the fiscal year ended December 31, 2017, to each of the executive officers named in the Summary Compensation Table.

	Option Awards(1)			
Name	Number of securities underlying unexercised option (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Option exercise price ($)	Option expiration date
Mark A. Velleca, M.D., Ph.D.	366,627(2)	42,659(2)	$ 0.39	05/09/2024
	173,538(3)	71,462(3)	$ 0.30	02/27/2025
	87,210(4)	94,723(4)	$ 3.72	12/21/2025
	112,146(5)	171,187(5)	$ 4.17	05/10/2026
Terry L. Murdock	—	100,000(6)	$ 13.51	08/01/2027
Barclay (Buck) A. Phillips	—	250,000(7)	$ 19.46	12/06/2027

(1) The outstanding equity awards in the table above were granted pursuant to our 2011 Equity Incentive Plan, as amended, our 2017 Plan, or as an inducement grant.

(2) Represents an option to purchase shares of our common stock granted on May 9, 2014. The shares underlying this option vest as follows: subject to continued service, one-fourth (1/4th) vested on May 19, 2015, and on the same day of each succeeding calendar month thereafter, an additional one thirty-sixth (1/36th) of the remaining unvested shares will vest until all of the shares underlying the option are vested. Fifty percent of any unvested portion of the option will vest immediately upon a Change in Control, and any remaining unvested portion of the option will immediately vest if employee is terminated by us without Cause, as defined above under the "—Narrative disclosure to summary compensation table" section, within 90 days following a Change in Control. A Change in Control is defined as a (i) merger or consolidation of the Company with or into another entity such that the stockholders of the Company prior to the transaction do not or are not expected to own a majority of the voting stock of the surviving entity, (ii) the sale or other disposition of all or substantially all of the assets of the Company, or (iii) the sale or other disposition of greater than 50% of the then-outstanding voting stock of the Company by holders thereof to one or more persons or entities who are not then stockholders of the Company.

(3) Represents an option to purchase shares of our common stock granted on February 27, 2015. The shares underlying this option vest as follows: subject to continued service, one-fourth (1/4th) vests on February 28, 2016, and on the same day of each succeeding calendar month thereafter, an additional one thirty-sixth (1/36th) of the remaining unvested shares will vest until all of the shares underlying the option are vested. Fifty percent of any unvested portion of the option will vest immediately upon a Change in Control, as defined in footnote (2) above, and any remaining unvested portion of the option will immediately vest if employee is terminated by us without Cause, as defined above under the "—Narrative disclosure to summary compensation table" section within 90 days following a Change in Control, as defined in footnote (2) above.

(4) Represents an option to purchase shares of our common stock granted on December 21, 2015. The shares underlying this option vest as follows: subject to continued service, one-fourth (1/4th) vests on December 21, 2016, and on the same day of each succeeding calendar month thereafter, an additional one thirty-sixth (1/36th) of the remaining unvested shares will vest until all of the shares underlying the option are vested. Fifty percent of any unvested portion of the option will vest immediately upon a Change in Control, as defined in footnote (2) above, and any remaining unvested portion of the option will immediately vest if employee is terminated by us without Cause, as defined above under the "—Narrative disclosure to summary compensation table" section within 90 days following a Change in Control, as defined in footnote (2) above.

(5) Represents an option to purchase shares of our common stock granted on May 10, 2016. The shares underlying this option vest as follows: subject to continued service, one-fourth (1/4th) vests on May 10, 2017, and on the same day of each succeeding calendar month thereafter, an additional one thirty-sixth (1/36th) of the remaining unvested shares will vest until all of the shares underlying the option are vested. Fifty percent of any unvested portion of the option will vest immediately upon a Change in Control, as defined in footnote (2) above, and any remaining unvested portion of the option will immediately vest if employee is terminated by us without Cause, as defined above under the "—Narrative disclosure to summary compensation table" section within 90 days following a Change in Control, as defined in footnote (2) above.

(6) Represents an option to purchase shares of our common stock granted on August 1, 2017. The shares underlying this option vest as follows: subject to continued service, one-fourth (1/4th) vests on August 1, 2018, and on the same day of each succeeding calendar month thereafter, an additional one thirty-sixth (1/36th) of the remaining unvested shares will vest until all of the shares underlying the option are vested. Fifty percent of any unvested portion of the option will vest immediately upon a Change in Control, as defined in footnote (2) above, and any

remaining unvested portion of the option will immediately vest if employee is terminated by us without Cause, as defined above under the "—Narrative disclosure to summary compensation table" section within 90 days following a Change in Control, as defined in footnote (2) above.

(7) Represents an option to purchase shares of our common stock granted on December 6, 2017. The shares underlying this option vest as follows: subject to continued service, one-fourth (1/4th) vests on November 13, 2018, and on the same day of each succeeding calendar month thereafter, an additional one thirty-sixth (1/36th) of the remaining unvested shares will vest until all of the shares underlying the option are vested. Fifty percent of any unvested portion of the option will vest immediately upon a Change in Control, as defined in footnote (2) above, and any remaining unvested portion of the option will immediately vest if employee is terminated by us without Cause, as defined above under the "—Narrative disclosure to summary compensation table" section within 90 days following a Change in Control, as defined in footnote (2) above.

Director compensation

The following table shows the total compensation paid or accrued during the fiscal year ended December 31, 2017, to each of our non-employee directors. Directors who are employed by us are not compensated for their service on our board of directors.

Name	Fees earned or paid in cash ($)	Option awards ($)(1)	All other compensation ($)	Total ($)
Seth A. Rudnick, M.D.(2)	43,912	203,111	10,500	257,523
Fredric N. Eshelman, Pharm.D.(3)	25,920	203,111	—	229,031
Michael J. Gutch(4)	—	—	—	—
Peter Kolchinsky, Ph.D.(5)	—	—	—	—
Glenn P. Muir(6)	33,544	203,111	—	236,655
Tyrell J. Rivers, Ph.D.(7)	28,055	—	—	28,055
Christy L. Shaffer, Ph.D.(8)	29,580	203,111	—	232,691
Timothy E. Sullivan(9)	—	—	—	—
Sir Andrew P. Witty(10)	18,204	203,111	—	221,315

(1) These amounts represent the aggregate grant date fair value for option awards granted during our fiscal year ended December 31, 2017, computed in accordance with FASB ASC Topic 718. A discussion of the assumptions used in determining grant date fair value may be found in Note 8 to our financial statements included elsewhere in this prospectus.

(2) Pursuant to our Non-Employee Director Compensation Policy, Dr. Rudnick was paid a cash retainer of $43,912 for his service on the board of directors. On July 11, 2017, we granted Dr. Rudnick an option to purchase 20,000 shares of our common stock as further compensation for his service on the board of directors. The shares are scheduled to vest over three years in equal monthly installments beginning on July 31, 2017 through June 30, 2020. As of December 31, 2017, 3,330 of these shares were vested. We also paid Dr. Rudnick $10,500 for his service as a member of our scientific and clinical advisory boards during the year ended December 31, 2017, which is included in All Other Compensation.

(3) Pursuant to our Non-Employee Director Compensation Policy, Dr. Eshelman was paid a cash retainer of $25,920 for his service on the board of directors. On July 11, 2017, we granted Dr. Eshelman an option to purchase 20,000 shares of our common stock as further compensation for his service on the board of directors. The shares are scheduled to vest over three years in equal monthly installments beginning on July 31, 2017 through June 30, 2020. As of December 31, 2017, 3,330 of these shares were vested.

(4) Mr. Gutch resigned from the board of directors on March 14, 2017.

(5) Dr. Kolchinsky resigned from the board of directors on May 22, 2017.

(6) Pursuant to our Non-Employee Director Compensation Policy, Mr. Muir was paid a cash retainer of $33,544 for his service on the board of directors. On July 11, 2017, we granted Mr. Muir an option to purchase 20,000 shares of our common stock as further compensation for his service on the board of directors. The shares are scheduled to vest over three years in equal monthly installments beginning on July 31, 2017 through June 30, 2020. As of December 31, 2017, 3,330 of these shares were vested.

(7) Pursuant to our Non-Employee Director Compensation Policy, Dr. Rivers was paid a cash retainer of $28,055 for his service on the board of directors.

(8) Pursuant to our Non-Employee Director Compensation Policy, Dr. Shaffer was paid a cash retainer of $29,580 for her service on the board of directors. On July 11, 2017, we granted Dr. Shaffer an option to purchase 20,000 shares of our common stock as further compensation for her service on the board of directors. The shares are scheduled to vest over three years in equal monthly installments beginning on July 31, 2017 through June 30, 2020. As of December 31, 2017, 3,330 of these shares were vested.

(9) Mr. Sullivan resigned from the board of directors on May 22, 2017.

(10) Pursuant to our Non-Employee Director Compensation Policy, Mr. Witty was paid a cash retainer of $18,204 for his service on the board of directors. On July 11, 2017, we granted Mr. Witty an option to purchase 20,000 shares of our common stock as further compensation for his service on the board of directors. The shares are scheduled to vest over three years in equal monthly installments beginning on July 31, 2017 through June 30, 2020. As of December 31, 2017, 3,330 of these shares were vested.

Agreements with non-employee directors

Seth A. Rudnick, M.D.

On July 1, 2014, we entered into a director agreement with Dr. Rudnick with respect to his service as the Chairman of our board of directors, which expired on June 30, 2016, or the 2014 Director Agreement. Following the expiration of the 2014 Director Agreement, we entered into a director agreement with Dr. Rudnick with respect to his service as the Chairman of our board of directors on July 15, 2016, or the 2016 Director Agreement. The 2016 Director Agreement was in effect from July 1, 2016 through the date of our initial public offering.

On July 1, 2014, we entered into an advisory board member agreement with Dr. Rudnick with respect to his service as a member of our scientific and clinical advisory boards, which expired on June 30, 2016. On July 15, 2016, we entered into a subsequent advisory board member agreement with Dr. Rudnick with a term of July 1, 2016 through June 30, 2018; however, it may be terminated by Dr. Rudnick or by us at any time on at least 30 days' written notice. Under the terms of the agreement, Dr. Rudnick is entitled to receive cash compensation in the amount of $6,000 annually and $3,000 for each advisory board meeting attended in person and $1,500 for each advisory board meeting attended telephonically.

During the terms of the agreements, Dr. Rudnick is obligated to refrain from disclosing or using any of our proprietary information received in connection with his service and to assign to us any inventions conceived or developed in connection with his service. In addition, during the terms of the agreements, Dr. Rudnick is required to provide us with prior written notice of any consulting projects or employment he undertakes with companies whose business would directly competitive with our business, after receipt of which we may terminate the agreements effective immediately.

Non-employee director compensation policy

We have adopted a policy with respect to the compensation payable to our non-employee directors. Under this policy, each non-employee director is eligible to receive compensation for his or her service consisting of annual cash retainers and equity awards. Our non-employee directors receive the following annual retainers for their service:

Position	**Retainer**
Board Member	$35,000
Board Chairperson	25,000
Audit Committee Chair	15,000
Compensation Committee Chair	10,000
Nominating and Governance Committee Chair	7,000
Audit Committee Member	7,500
Compensation Committee Member	5,000
Nominating and Governance Committee Member	3,500

Equity awards for non-employee directors consist of (i) an initial equity award consisting of options to purchase shares equal to 20,000 shares of our outstanding common stock upon first appointment to our board of directors and vesting monthly over a period of three years, subject to the non-employee director's continued service on the Board, and (ii) annual equity awards consisting of options to purchase shares equal to 10,000 shares of our outstanding common stock vesting 12 months after the grant date, subject to the non-employee director's continued service on the Board.

Directors may be reimbursed for travel, food, lodging and other expenses directly related to their service as directors. Directors are also entitled to the protection provided by their indemnification agreements and the indemnification provisions in our certificate of incorporation and by-laws.

Equity compensation plans and other benefit plans

2017 Employee, director and consultant equity plan

We have adopted a 2017 Employee, Director and Consultant Equity Plan, or the 2017 Plan. The 2017 Plan will expire in 2027. Under the 2017 Plan, we may grant incentive stock options, non-qualified stock options, restricted and unrestricted stock awards and other stock-based awards. As of January 31, 2018, under the 2017 Plan, options to purchase 759,450 shares of our common stock were outstanding, options to purchase 1,262,237 shares of our common stock were available for grant, and no shares of our common stock had been issued nor were outstanding pursuant to the exercise of options. In addition, up to 3,512,841 shares may become available for grant under the 2017 Plan as a result of the forfeiture, expiration or cancellation of outstanding grants under the 2011 Plan.

In addition, the 2017 Plan contains an “evergreen” provision, which allows for an annual increase in the number of shares of our common stock available for issuance under the 2017 Plan on the first day of each fiscal year during the period beginning in fiscal year 2018 and ending in fiscal year 2027. The annual increase in the number of shares shall be equal to the lowest of:

- 1,066,692 shares of our common stock;
- 4.0% of the number of shares of our common stock outstanding as of such date; and
- an amount determined by our board of directors or compensation committee.

Our board of directors has authorized our compensation committee to administer the 2017 Plan. In accordance with the provisions of the plan, the compensation committee determines the terms of options and other awards, including the following:

- which employees, directors and consultants shall be granted awards;
- the number of shares of our common stock subject to options and other awards;
- the exercise price of each option, which generally shall not be less than fair market value on the date of grant;
- the termination or cancellation provisions applicable to options;
- the terms and conditions of other awards, including conditions for repurchase, termination or cancellation, issue price and repurchase price; and
- all other terms and conditions upon which each award may be granted in accordance with our plan.

In addition, our board of directors or any committee to which the board of directors delegates authority may, with the consent of the affected plan participants, re-price or otherwise amend outstanding awards consistent with the terms of our plan.

Upon a merger, consolidation or sale of all or substantially all of our assets, our board of directors or any committee to which the board of directors delegates authority, or the board of directors of any corporation assuming our obligations, may, in its sole discretion, take any one or more of the following actions pursuant to our 2017 Plan, as to some or all outstanding awards, to the extent not otherwise agreed under any individual optionholder's option or employment agreement:

- provide that outstanding options will be assumed or substituted for options of the successor corporation;
- provide that the outstanding options must be exercised within a certain number of days, either to the extent the options are then exercisable, or at our board of directors' discretion, any such options being made partially or fully exercisable;
- terminate outstanding options in exchange for a cash payment of an amount equal to the difference between (a) the consideration payable upon consummation of the corporate transaction to a holder of the number of shares into which such option would have been exercisable to the extent then exercisable, or in our board of directors' discretion, any such options being made partially or fully exercisable, and (b) the aggregate exercise price of those options;
- provide that outstanding stock grants will be substituted for shares of the successor corporation or consideration payable with respect to our outstanding stock in connection with the corporate transaction; and
- terminate outstanding stock grants in exchange for payment of an amount equal to the consideration payable upon consummation of the corporate transaction to a holder of the same number of shares comprising the stock grant, to the extent the stock grant is no longer subject to any forfeiture or repurchase rights, or at our board of directors' discretion, all forfeiture and repurchase rights being waived upon the corporation transaction.

2011 Equity Incentive Plan

Our 2011 Equity Incentive Plan, as amended, or the 2011 Plan, was approved by our board of directors and our stockholders on March 3, 2011, and was most recently amended on November 7, 2016. In connection with the completion of our initial public offering, we terminated the 2011 Plan. The 2011 Plan provided for the issuance of up to 4,400,640 shares of our common stock. The 2011 Plan allowed us to make grants of stock options, restricted stock, restricted stock units and stock appreciation rights to our employees, directors and consultants. As of January 31, 2018, under the 2011 Plan, options to purchase 3,512,841 shares of our common stock were outstanding and 728,724 shares of our common stock had been issued and were outstanding pursuant to the exercise of options. Under the 2011 Plan, in the event of a consolidation, merger or other reorganization event, our compensation committee or the successor board of directors may, in its sole discretion, provide that all outstanding awards shall be assumed, converted or replaced by the successor corporation, or unless otherwise required by an award agreement, provide that all outstanding awards shall terminate, without accelerating vesting, immediately prior to the consummation of such reorganization event. In the event of an acquisition or any other transaction involving another entity, we may substitute or assume outstanding awards granted by another entity.

Inducement Grant

In connection with our hiring of Mr. Phillips, our board of directors approved an inducement grant of an option to purchase up to 150,000 shares of our common stock, with an exercise price of $19.46 per share, which was equal to the closing price per share of our common stock on the date of grant. The option is scheduled to vest over four years, with 25% of the shares scheduled to vest on November 13, 2018, and the remainder scheduled to vest ratably on the 13th of each subsequent month thereafter through November 13, 2021, subject to Mr. Phillips' continued service relationship with our company through the applicable vesting dates.

Other compensation

We currently maintain broad-based benefits that are provided to all employees, including health insurance, life insurance, short and long-term disability insurance and dental insurance.

401(k) Plan

We maintain a 401(k) plan for employees. The 401(k) plan is intended to qualify under Section 401(k) of the Internal Revenue Service Code of 1986, as amended, so that contributions to the 401(k) plan by employees or by us, and the investment earnings thereon, are not taxable to the employees until withdrawn from the 401(k) plan, and so that contributions by us, if any, will be deductible by us when made. Under the 401(k) plan, employees may elect to reduce their current compensation by up to the statutorily prescribed annual limit and to have the amount of such reduction contributed to the 401(k) plan. The 401(k) plan permits us to make contributions up to the limits allowed by law on behalf of all eligible employees. Since January 1, 2016, we make matching contributions of 50% of the first 6% contributed by employees to our 401(k) plan.

Rule 10b5-1 sales plans

Some of our directors and executive officers have adopted written plans, known as Rule 10b5-1 plans, in which they have contracted with a broker to buy or sell shares of our common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or officer when entering into the plan, without further direction from the director or officer. The director or officer may amend or terminate the plan in limited circumstances. Our directors and executive officers may also buy or sell additional shares of our common stock outside of a Rule 10b5-1 plan when they are not in possession of material, nonpublic information.

Certain relationships and related party transactions

The following is a description of transactions, since January 1, 2015, to which we have been a party, in which the amount involved exceeds $120,000, and in which any of our directors, executive officers or holders of more than 5% of our capital stock, or an affiliate or immediate family member thereof, had or will have a direct or indirect material interest. We refer to such transactions as “related party transactions” and such persons as “related parties.” With the approval of our board of directors, we have engaged in the related party transactions described below. We believe the terms obtained or consideration that we paid or received, as applicable, in connection with the transactions described below were comparable to terms available or the amounts that would be paid or received, as applicable, from unaffiliated third parties.

Other than as described below, there have not been, nor are there any currently proposed, transactions or series of similar transactions to which we have been or will be a party other than compensation arrangements, which are described where required under the “Executive and director compensation” section.

Equity financings

Series B financing

In February 2015 and December 2015, we issued an aggregate of 7,642,734 shares of our Series B Preferred Stock at a purchase price of $4.3521 per share for an aggregate consideration of $33.3 million. The Series B Preferred Stock was issued in two tranches of 3,794,024 shares and 3,848,710 shares, respectively.

The table below sets forth the aggregate number of shares of Series B Preferred Stock issued to our directors, executive officers or holders of more than 5% of our capital stock, or an affiliate or immediate family member thereof, at the time of the transaction. Each share of Series B Preferred Stock converted automatically into shares of our common stock upon the completion of our initial public offering in May 2017.

Name	Shares	Aggregate purchase price
MedImmune Ventures, Inc.	804,208	$ 3,499,999
Hatteras Venture Partners IV SBIC, LP	804,208	$ 3,499,999
Eshelman Ventures, LLC	2,297,740	$ 10,000,000
RA Capital Healthcare Fund, L.P.	1,723,304	$ 7,499,997
Lumira Capital II, L.P.	1,051,626	$ 4,576,787
Lumira Capital II (International), L.P.	97,242	$ 423,210

Series C financing

In April 2016, May 2016 and June 2016, we issued an aggregate of 5,609,398 shares of our Series C Preferred Stock at a purchase price of $8.9136 per share for an aggregate consideration of $50 million. The Series C Preferred Stock was issued in three closings of 4,964,317 shares, 308,517 shares and 336,564 shares, respectively.

The table below sets forth the aggregate number of shares of Series C Preferred Stock issued to our directors, executive officers or holders of more than 5% of our capital stock, or an affiliate or immediate family member thereof, at the time of the transaction. Each share of Series C Preferred Stock converted automatically into shares of our common stock upon the completion of our initial public offering in May 2017.

Name	Shares	Aggregate purchase price
MedImmune Ventures, Inc.	224,376	$ 1,999,998
Hatteras Venture Partners IV SBIC, LP	294,493	$ 2,624,999
Eshelman Ventures, LLC	841,411	$ 7,500,001
RA Capital Healthcare Fund, L.P.	453,801	$ 4,045,001
L2 Ventures, LLC	42,070	$ 375,001
Lumira Capital II, L.P.	256,730	$ 2,288,394
Lumira Capital II (International), L.P.	23,739	$ 211,603
Glenn P. Muir	100,969	$ 900,000

Agreements with stockholders

In connection with the Series C Preferred Stock financing, we entered into a Third Amended and Restated Stockholders Agreement, dated as of April 27, 2016, or Stockholders Agreement, with certain of our stockholders, including our principal stockholders. The Stockholders Agreement terminated upon completion of our initial public offering.

Also in connection with the Series C Preferred Stock financing, we entered into a Second Amended and Restated Registration Rights Agreement, dated as of April 27, 2016, with certain of our stockholders, including our principal stockholders, pursuant to which these stockholders have, among other things, registration rights under the Securities Act of 1933, as amended, with respect to their shares of common stock. Under the Registration Rights Agreement, holders of registrable shares can demand that we file a registration statement or request that their shares be included on a registration statement that we are otherwise filing, in either case, registering the resale of their shares of common stock. These registration rights are subject to conditions and limitations, including the right, in certain circumstances, of the underwriters of an offering to limit the number of shares included in such registration and our right, in certain circumstances, not to effect a requested S-1 registration within 60 days before or 180 days following any offering of our securities, or a requested S-3 registration within 30 days before or 90 days following any offering of our securities.

Initial Public Offering

In May 2017, we issued an aggregate of 7,781,564 shares of our common stock at a purchase price of $15.00 per share, including 781,564 shares of common stock issued upon exercise by the underwriters of their option to purchase additional shares. The gross proceeds from the offering were $116.7 million.

The table below sets forth the aggregate number of common shares issued to our directors, executive officers or holders of more than 5% of our capital stock, or an affiliate or immediate family member thereof, at the time of the transaction:

Name	Shares	Aggregate purchase price
MedImmune Ventures, Inc.	75,000	$ 1,125,000
Hatteras Venture Partners IV SBIC, LP	133,333	$ 1,999,995
Eshelman Ventures, LLC	300,000	$ 4,500,000
RA Capital Healthcare Fund, L.P.	400,000	$ 6,000,000
Lumira Capital II, L.P.	125,000	$ 1,875,000
Glenn P. Muir	20,000	$ 300,000

Director and executive officer compensation

Please see the “Executive and director compensation” section for a discussion of payments and options granted to our named executive officers and non-employee directors.

Employment agreements

We have entered into employment agreements with our executive officers. For more information regarding these agreements, see the “Director and executive compensation — Narrative disclosure to summary compensation table” section.

Indemnification agreements with officers and directors and directors’ and officers’ liability insurance

We have entered into indemnification agreements with each of our executive officers and directors. The indemnification agreements, our restated certificate of incorporation and our restated by-laws will require us to indemnify our directors to the fullest extent not prohibited by Delaware law. Subject to certain limitations, our restated by-laws also require us to advance expenses incurred by our directors and officers. We also maintain a general liability insurance policy which covers certain liabilities of directors and officers of our company arising out of claims based on acts or omissions in their capacities as directors or officers.

Policies and procedures for related party transactions

We have adopted a written policy that requires all future transactions between us and any director, executive officer, holder of 5% or more of any class of our capital stock or any member of the immediate family of, or entities affiliated with, any of them, or any other related persons, as defined in Item 404 of Regulation S-K, or their affiliates, in which the amount involved is equal to or greater than $120,000, be approved in advance by our audit committee. Any request for such a transaction must first be presented to our audit committee for review, consideration and approval. In approving or rejecting any such proposal, our audit committee is to consider the relevant facts and circumstances available and deemed relevant to the audit committee, including, but not limited to, the extent of the related party’s interest in the transaction, and whether the transaction is on terms no less favorable to us than terms we could have generally obtained from an unaffiliated third party under the same or similar circumstances.

Principal stockholders

The following table sets forth certain information with respect to the beneficial ownership of our common stock at January 31, 2018 for:

- each of our directors;
- each of our named executive officers;
- all of our current directors and executive officers as a group; and
- each person, or group of affiliated persons, who beneficially owned more than 5% of our common stock.

The number of shares of our common stock beneficially owned by each entity, person, director or executive officer is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the individual has sole or shared voting power or investment power as well as any shares that the individual has the right to acquire within 60 days of January 31, 2018, through the exercise of any stock option, warrants or other rights. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock held by that person.

The percentage of shares beneficially owned is computed on the basis of 28,428,337 shares of our common stock outstanding as of January 31, 2018. For purposes of the table below, we have assumed that 3,000,000 shares of common stock will be issued by us in this public offering. Shares of our common stock that a person has the right to acquire within 60 days of January 31, 2018, are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group.

Name and address of beneficial owner(1)	Number of shares of common stock beneficially owned	Percentage of shares of common stock beneficially owned	
		Before offering	After offering
More than 5% stockholders:			
FMR LLC (2)	4,106,644	14.45%	13.07%
Hatteras Venture Partners (3)	4,075,211	14.34%	12.97%
Eshelman Ventures, LLC(4)	3,439,151	12.10%	10.94%
MedImmune Ventures, Inc.(5)	2,950,630	10.38%	9.39%
Lumira Capital II, L.P.(6)	1,554,337	5.47%	4.95%
Franklin Resources, Inc.(7)	1,535,616	5.40%	4.89%
Directors and named executive officers:			
Mark A. Velleca, M.D., Ph.D.(8)	794,955	2.72%	2.47%
Terry L. Murdock	—	—	—
Barclay (Buck) A. Phillips	—	—	—
Seth A. Rudnick, M.D.(9)	152,859	*	*
Fredric N. Eshelman, Pharm.D.(4)(10)	3,694,146	12.99%	11.75%
Glenn P. Muir(11)	167,614	*	*
Tyrell J. Rivers, Ph.D.	—	—	—
Christy L. Shaffer, Ph.D.(12)	5,990	*	*
Sir Andrew P. Witty (8).	4,995	*	*
All executive officers and directors as a group (12 persons)(13)	**5,388,514**	**17.99%**	**16.36%**

* Represents beneficial ownership of less than one percent of our outstanding common stock.

(1) Unless otherwise indicated, the address for each beneficial owner listed is c/o G1 Therapeutics, Inc., 79 T.W. Alexander Drive, 4501 Research Commons, Suite 100, Research Triangle Park, NC 27709.

(2) Consists of 4,106,644 shares of common stock held by FMR LLC as of December 29, 2017. The address of FMR LLC is 245 Summer Street, Boston, MA 02210. This information is based solely on information contained in a Schedule 13G/A filed with the SEC on February 13, 2018 by FMR LLC, reporting information as of December 29, 2017.

(3) Consists of 3,861,797 shares of common stock held by Hatteras Venture Partners IV SBIC, L.P. as of January 31, 2018; 212,419 shares of common stock held by Hatteras NC Fund, L.P. as of January 31, 2018; and 995 shares of common stock held by Hatteras Venture Advisors V, LLC as of January 31, 2018. The address of each entity listed in this note is 280 S. Mangum Street, Suite 350, Durham, NC 27701.

(4) Consists of 3,439,151 shares of common stock held by Eshelman Ventures, LLC as of January 31, 2018. Dr. Fredric N. Eshelman, a member of our board of directors and the founder and principal of Eshelman Ventures, LLC, may be deemed to beneficially own the shares held by Eshelman Ventures, LLC. The address of Eshelman Ventures, LLC and Dr. Eshelman is 319 North Third Street, Suite 301, Wilmington, NC 28401.

(5) Consists of 2,950,630 shares of common stock held by MedImmune Ventures, Inc. as of January 31, 2018. MedImmune Ventures, Inc. is wholly owned by AstraZeneca plc, and AstraZeneca plc may be deemed to beneficially own the shares held by MedImmune Ventures, Inc. The address of MedImmune Ventures, Inc. is One MedImmune Way, Gaithersburg, MD 20878. The address of AstraZeneca plc is 2 Kingdom Street, London W2 6BD.

(6) Consists of 1,422,776 shares of common stock held by Lumira Capital II, L.P. as of December 31, 2017; and 131,561 shares of common stock held by Lumira Capital II (International), L.P. as of December 31, 2017. The address of each entity listed in this note is 141 Adelaide Street West, Suite 770, Toronto, Ontario, Canada M5H 3L5. This information is based solely on information contained in a Schedule 13G filed with the SEC on February 13, 2018 by Lumira Capital II, L.P., reporting information as of December 31, 2017.

(7) Consists of 1,535,616 shares of common stock held by Franklin Resources, Inc. as of December 31, 2017. The address of Franklin Resources, Inc. is One Franklin Parkway, San Mateo, CA 94403-1906. This information is based solely on information contained in a Schedule 13G filed with the SEC on February 6, 2018 by Franklin Resources, Inc., reporting information as of December 31, 2017.

(8) Consists of options to purchase shares of our common stock that are exercisable as of January 31, 2018, or will become exercisable within 60 days after such date.

(9) Consists of options to purchase shares of our common stock held by Dr. Seth Rudnick that are exercisable as of January 31, 2018, or will become exercisable within 60 days after such date. This number does not include 58,282 shares of common stock held by the Seth A. Rudnick 2014 Irrevocable GST Trust U/A Dated 3/1/2014, because Dr. Rudnick has neither voting nor investment power over these shares.

(10) Consists of 4,995 options to purchase shares of our common stock that are exercisable as of January 31, 2018, or will become exercisable within 60 days after such date. Also includes 3,439,151 shares of common stock held by Eshelman Ventures, LLC as of January 31, 2018, as explained in footnote (4) above.

(11) Consists of 46,645 options to purchase shares of our common stock that are exercisable as of January 31, 2018, or will become exercisable within 60 days after such date, and 120,969 shares of common stock held by Mr. Muir.

(12) Consists of 4,995 options to purchase shares of our common stock that are exercisable as of January 31, 2018, or will become exercisable within 60 days after such date, and 995 shares of common stock held by Hatteras Venture Advisors V, LLC as of January 31, 2018, as explained in footnote (3) above. Dr. Christy Shaffer, a member of our board of directors, may be deemed to beneficially own the shares held by Hatteras Venture Advisors V, LLC

(13) See notes 3, 4, 8, 9, 10, 11 and 12 above. Also includes Jay C. Strum, Rajesh K. Malik and Jennifer K. Moses, who are executive officers but not named executive officers.

Description of capital stock

General

Our authorized capital stock consists of 120,000,000 shares of common stock, par value $0.0001 per share, and 5,000,000 shares of preferred stock, par value $0.0001 per share, all of which are undesignated, and as of January 31, 2018, there were 28,428,337 shares of common stock outstanding and no shares of preferred stock outstanding. As of January 31, 2018, we had approximately 26 record holders of our capital stock.

The following description of our capital stock and provisions of our amended and restated certificate of incorporation and amended and restated by-laws are summaries of material terms and provisions and are qualified by reference to our amended and restated certificate of incorporation and amended and restated by-laws, copies of which have been filed with the SEC as exhibits to the registration statement of which this prospectus is a part.

Common stock

We are authorized to issue one class of common stock. Holders of our common stock are entitled to one vote for each share of common stock held of record for the election of directors and on all matters submitted to a vote of stockholders. Holders of our common stock are entitled to receive dividends ratably, if any, as may be declared by our board of directors out of legally available funds, subject to any preferential dividend rights of any preferred stock then outstanding. Upon our dissolution, liquidation or winding up, holders of our common stock are entitled to share ratably in our net assets legally available after the payment of all our debts and other liabilities, subject to the preferential rights of any preferred stock then outstanding. Holders of our common stock have no preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future. Except as described under the "—Anti-Takeover Effects of Delaware Law, Our Amended and Restated Certificate of Incorporation and Our Amended and Restated By-Laws" section below, a majority vote of the holders of common stock is generally required to take action under our amended and restated certificate of incorporation and amended and restated by-laws.

Preferred stock

Our board of directors is authorized, without action by the stockholders, to designate and issue up to an aggregate of 5,000,000 shares of preferred stock in one or more series. Our board of directors can designate the rights, preferences and privileges of the shares of each series and any of its qualifications, limitations or restrictions. Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of common stock. The issuance of preferred stock, while providing flexibility in connection with possible future financings and acquisitions and other corporate purposes could, under certain circumstances, have the effect of restricting dividends on our common stock, diluting the voting power of our common stock, impairing the liquidation rights of our common stock, or delaying, deferring or preventing a change in control of our company, which might harm the market price of our common stock. See also the "—Anti-Takeover Effects of Delaware Law, Our Amended and Restated Certificate of Incorporation and Our Amended and Restated By-Laws" section below.

Our board of directors will make any determination to issue such shares based on its judgment as to our company's best interests and the best interests of our stockholders. We have no shares of preferred stock outstanding and we have no current plans to issue any shares of preferred stock.

Warrants

As of January 31, 2018, there were no warrants outstanding.

Anti-takeover effects of Delaware law, our amended and restated certificate of incorporation and our amended and restated by-laws

Our amended and restated certificate of incorporation and amended and restated by-laws include a number of provisions that may have the effect of encouraging persons considering unsolicited tender offers or other unilateral takeover proposals to negotiate with our board of directors rather than pursue non-negotiated takeover attempts. These provisions include the items described below.

Board composition and filling vacancies

In accordance with our amended and restated certificate of incorporation, our board of directors is divided into three classes serving three-year terms, with one class being elected each year. Our amended and restated certificate of incorporation also provides that directors may be removed only for cause and then only by the affirmative vote of the holders of 75% or more of the shares then entitled to vote at an election of directors. Furthermore, any vacancy on our board of directors, however occurring, including a vacancy resulting from an increase in the size of our board of directors, may only be filled by the affirmative vote of a majority of our directors then in office, even if less than a quorum.

No written consent of stockholders

Our amended and restated certificate of incorporation provides that all stockholder actions are required to be taken by a vote of the stockholders at an annual or special meeting, and that stockholders may not take any action by written consent in lieu of a meeting.

Meetings of stockholders

Our amended and restated by-laws provide that only a majority of the members of our board of directors then in office may call special meetings of stockholders and only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders. Our amended and restated by-laws limit the business that may be conducted at an annual meeting of stockholders to those matters properly brought before the meeting.

Advance notice requirements

Our amended and restated by-laws establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures provide that notice of stockholder proposals must be timely given in writing to our corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not less than 90 days or more than 120 days prior to the first anniversary date of the annual meeting for the preceding year. The notice must contain certain information specified in the amended and restated by-laws. These provisions may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed. These provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer’s own slate of directors or otherwise attempting to obtain control of our company.

Amendment to by-laws and certificate of incorporation

As required by the Delaware General Corporation Law, any amendment of our amended and restated certificate of incorporation must first be approved by a majority of our board of directors and, if required by law or our amended and restated certificate of incorporation, thereafter be approved by a majority of the outstanding shares entitled to vote on the amendment, and a majority of the outstanding shares of each class entitled to vote thereon as a class, except that the amendment of the provisions relating to stockholder action, directors, limitation of liability, exclusive jurisdiction of Delaware Courts and the amendment of our amended and restated by-laws and amended and restated certificate of incorporation must be approved by not less than 75% of the outstanding shares entitled to vote on the amendment, and not less than 75% of the outstanding shares of each class entitled to vote thereon as a class. Our amended and restated by-laws may be amended by the affirmative vote of a majority of the directors then in office, subject to any limitations set forth in the amended and restated by-laws; and may also be amended by the affirmative vote of at least 75% of the outstanding shares entitled to vote on the amendment, or, if the board of directors recommends that the stockholders approve the amendment, by the affirmative vote of the majority of the outstanding shares entitled to vote on the amendment, in each case voting together as a single class.

Blank check preferred stock

Our amended and restated certificate of incorporation provides for 5,000,000 authorized shares of preferred stock. The existence of authorized but unissued shares of preferred stock may enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise. For example, if in the due exercise of its fiduciary obligations, our board of directors were to determine that a takeover proposal is not in the best interests of us or our stockholders, our board of directors could cause shares of preferred stock to be issued without stockholder approval in one or more private offerings or other transactions that might dilute the voting or other rights of the proposed acquirer or insurgent stockholder or stockholder group. In this regard, our amended and restated certificate of incorporation grants our board of directors broad power to establish the rights and preferences of authorized and unissued shares of preferred stock. The issuance of shares of preferred stock could decrease the amount of earnings and assets available for distribution to holders of shares of common stock. The issuance may also adversely affect the rights and powers, including voting rights, of these holders and may have the effect of delaying, deterring or preventing a change in control of us.

Section 203 of the Delaware General Corporation Law

We are subject to the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a publicly-held Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. A “business combination” includes, among other things, a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. An “interested stockholder” is a person who, together with affiliates and associates, owns, or did own within three years prior to the determination of interested stockholder status, 15% or more of the corporation’s voting stock.

Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions:

- before the stockholder became interested, the board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;

- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances; or
- at or after the time the stockholder became interested, the business combination was approved by the board of directors of the corporation and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

A Delaware corporation may “opt out” of these provisions with an express provision in its original certificate of incorporation or an express provision in its amended and restated certificate of incorporation or by-laws resulting from a stockholders’ amendment approved by at least a majority of the outstanding voting shares. We have not opted out of these provisions. As a result, mergers or other takeover or change in control attempts of us may be discouraged or prevented.

Exclusive jurisdiction of certain actions

Our amended and restated certificate of incorporation requires, to the fullest extent permitted by law, that derivative actions brought in our name, actions against our directors, officers and employees for breach of fiduciary duty and other similar actions may be brought only in the Court of Chancery in the State of Delaware, unless we otherwise consent. Although we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against our directors and officers.

Nasdaq Global Select Market Listing

Our common stock is listed on The Nasdaq Global Select Market under the trading symbol “GTHX.”

Transfer agent and registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A. The transfer agent and registrar’s address is 250 Royall Street, Canton, MA 02021.

Registration Rights

Demand registration rights

The holders of (i) at least 60% of our Series B Preferred Stock prior to the automatic conversion of the Series B Preferred Stock that occurred upon consummation of our initial public offering and (ii) at least 65% of our Series C Preferred Stock prior to the automatic conversion of the Series C Preferred Stock that occurred upon consummation of our initial public offering, may require us to file a registration statement under the Securities Act on a Form S-1 at our expense, subject to certain exceptions, with respect to the resale of their registrable shares, and we are required to use commercially reasonable efforts to effect the registration. Any time after we are eligible to use a registration statement under the Securities Act on Form S-3, the holders of at least 10% of our registrable securities under the Registration Rights Agreement may require us to file a registration statement on Form S-3 at our expense, subject to certain exceptions, with respect to the resale of their registrable shares, and we are required to use commercially reasonable efforts to effect the registration.

Piggyback registration rights

If we propose to register any of our securities under the Securities Act for our own account or the account of any other holder, the holders of registrable shares are entitled to notice of such registration and to request that we include registrable shares for resale on such registration statement, subject to the right of any underwriter to limit the number of shares included in such registration.

We will pay all registration expenses, other than underwriting discounts and commissions, related to any demand or piggyback registration. The Registration Rights Agreement contains customary cross-indemnification provisions, pursuant to which we are obligated to indemnify the selling stockholders, in the event of misstatements or omissions in the registration statement attributable to us except in the event of fraud, and they are obligated to indemnify us for misstatements or omissions attributable to them.

The registration rights will terminate upon the later of the date on which all registrable shares have been sold, the closing of certain liquidation events, and the fifth anniversary of the closing date of our initial public offering.

Shares eligible for future sale

Future sales of our common stock, including shares issued upon the exercise of outstanding options or warrants, in the public market after this offering, or the perception that those sales may occur, could cause the prevailing market price for our common stock to fall or impair our ability to raise equity capital in the future. Future sales of our common stock in the public market either before (to the extent permitted) or after restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price of our common stock at such time and our ability to raise equity capital at a time and price we deem appropriate.

Lock-up agreements

In connection with this offering, we, our directors, our executive officers and certain stockholders have agreed, subject to certain exceptions, with the underwriters not to dispose of or hedge any shares of our common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of the lock-up agreement continuing through the date 90 days (60 days for certain stockholders) after the date of this prospectus, except with the prior written consent of J.P. Morgan Securities LLC and Cowen and Company, LLC, as the representatives of the underwriters and certain other exceptions. The representatives of the underwriters have advised us that they have no current intent or arrangement to release any of the shares subject to the lock-up agreements prior to the expiration of the lock-up period.

Rule 144

In general, under Rule 144, as currently in effect, a person (or persons whose shares are required to be aggregated) who is not deemed to have been one of our “affiliates” for purposes of Rule 144 at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months, including the holding period of any prior owner other than one of our “affiliates,” is entitled to sell those shares in the public market (subject to the lock-up agreement referred to above, if applicable) without complying with the manner of sale, volume limitations or notice provisions of Rule 144, but subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the sales proposed to be sold for at least one year, including the holding period of any prior owner other than “affiliates,” then such person is entitled to sell such shares in the public market without complying with any of the requirements of Rule 144 (subject to the lock-up agreement referred to above, if applicable). In general, under Rule 144, as currently in effect, our “affiliates,” as defined in Rule 144, who have beneficially owned the shares proposed to be sold for at least six months are entitled to sell in the public market, upon expiration of any applicable lock-up agreements and within any three-month period, a number of those shares of our common stock that does not exceed the greater of:

- 1% of the number of common shares then outstanding, which will equal approximately 313,938 shares of common stock immediately after this offering (calculated on the basis of the number of shares of our common stock outstanding as of December 31, 2017, the assumptions described above and assuming no exercise of the underwriters’ option to purchase additional shares and no exercise of outstanding options or warrants); or
- the average weekly trading volume of our common stock on The Nasdaq Global Select Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Such sales under Rule 144 by our “affiliates” or persons selling shares on behalf of our “affiliates” are also subject to certain manner of sale provisions, notice requirements and to the availability of current public information about us. Notwithstanding the availability of Rule 144, the holders of substantially all of our restricted securities have entered into lock-up agreements as referenced above and their restricted securities will become eligible for sale (subject to the above limitations under Rule 144) upon the expiration of the restrictions set forth in those agreements.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who acquired common stock from us in connection with a written compensatory stock or option plan or other written agreement in compliance with Rule 701 under the Securities Act before the effective date of the registration statement relating to our initial public offering (to the extent such common stock is not subject to a lock-up agreement) is entitled to rely on Rule 701 to resell such shares beginning 90 days after we became subject to the public company reporting requirements of the Exchange Act in reliance on Rule 144, but without compliance with the holding period requirements contained in Rule 144. Accordingly, subject to any applicable lock-up agreements, under Rule 701 persons who are not our “affiliates,” as defined in Rule 144, may resell those shares without complying with the minimum holding period or public information requirements of Rule 144, and persons who are our “affiliates” may resell those shares without compliance with Rule 144’s minimum holding period requirements (subject to the terms of the lock-up agreements referred to below, if applicable).

Equity incentive plans

We have filed with the SEC a registration statement under the Securities Act covering the shares of common stock that we may issue upon exercise of outstanding options reserved for issuance under the 2011 Equity Incentive Plan and the 2017 Employee, Director and Consultant Equity Plan. Accordingly, shares registered under such registration statement are or will be available for sale in the open market, subject to Rule 144 volume limitations and the lock-up agreements described above, if applicable.

Material U.S. federal income and estate tax consequences to non-U.S. holders

The following is a summary of the material U.S. federal income tax consequences of the ownership and disposition of our common stock to Non-U.S. Holders (defined below), but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended, or the Code, Treasury regulations promulgated thereunder, administrative rulings and judicial decisions, all as of the date hereof. These authorities may be changed or subject to differing interpretations, possibly with retroactive effect, so as to result in U.S. federal income tax consequences different from those set forth below. We have not sought and will not seek any ruling from the Internal Revenue Service, or the IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This summary also does not address the tax considerations arising under the laws of any U.S. state or local or any non-U.S. jurisdiction, the 3.8% Medicare tax on net investment income or any alternative minimum tax consequences. In addition, this discussion does not address tax considerations applicable to a Non-U.S. Holder's particular circumstances or to a Non-U.S. Holder that may be subject to special tax rules, including, without limitation:

- banks, insurance companies or other financial institutions;
- tax-exempt or government organizations;
- brokers of or dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- persons that own, or are deemed to own, more than five percent of our capital stock;
- certain U.S. expatriates, citizens or former long-term residents of the United States;
- persons who hold our common stock as a position in a hedging transaction, "straddle," "conversion transaction," synthetic security, other integrated investment, or other risk reduction transaction;
- persons who do not hold our common stock as a capital asset within the meaning of Section 1221 of the Code (generally, for investment purposes);
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- real estate investment trusts or regulated investment companies;
- pension plans;
- partnerships, or other entities or arrangements treated as partnerships for U.S. federal income tax purposes, or investors in any such entities;
- persons for whom our stock constitutes "qualified small business stock" within the meaning of Section 1202 of the Code;
- integral parts or controlled entities of foreign sovereigns;
- tax-qualified retirement plans;
- controlled foreign corporations;

- passive foreign investment companies and corporations that accumulate earnings to avoid U.S. federal income tax; or
- persons that acquire our common stock as compensation for services.

In addition, if a partnership, including any entity or arrangement classified as a partnership for U.S. federal income tax purposes, holds our common stock, the tax treatment of a partner generally will depend on the status of the partner, the activities of the partnership, and certain determinations made at the partner level. Accordingly, partnerships that hold our common stock, and partners in such partnerships, should consult their tax advisors regarding the U.S. federal income tax consequences to them of the purchase, ownership, and disposition of our common stock.

You are urged to consult your tax advisor with respect to the application of the U.S. federal income tax laws to your particular situation, as well as any tax consequences of the purchase, ownership and disposition of our common stock arising under the U.S. federal estate or gift tax rules or under the laws of any U.S. state or local or any non-U.S. or other taxing jurisdiction or under any applicable tax treaty.

Definition of a non-U.S. holder

For purposes of this summary, a “Non-U.S. Holder” is any beneficial owner of our common stock that is not a “U.S. person,” and is not a partnership, or an entity disregarded from its owner, each for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more U.S. persons (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a U.S. person for U.S. federal income tax purposes.

Distributions

As discussed under the “Dividend Policy” section, above, we do not anticipate paying any dividends on our capital stock in the foreseeable future. If we make distributions on our common stock, those payments will constitute dividends for U.S. income tax purposes to the extent we have current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed both our current and our accumulated earnings and profits, they will constitute a return of capital and will first reduce a Non-U.S. Holder’s basis in our common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under the “—Gain on Sale or Other Disposition of Common Stock” section. Any such distributions would be subject to the discussions below regarding back-up withholding and FATCA.

Subject to the discussion below on effectively connected income, any dividend paid to a Non-U.S. Holder generally will be subject to U.S. withholding tax either at a rate of 30% of the gross amount of the dividend or such lower rate as may be specified by an applicable income tax treaty. In order to receive a reduced treaty rate, a Non-U.S. Holder must provide us or our agent with an IRS Form W-8BEN (generally including a U.S.

taxpayer identification number), IRS Form W-8-BEN-E or another appropriate version of IRS Form W-8 (or a successor form), which must be updated periodically, and which, in each case, must certify qualification for the reduced rate. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

Dividends paid to a Non-U.S. Holder that are effectively connected with the Non-U.S. Holder's conduct of a U.S. trade or business within the United States and that are not eligible for relief from U.S. (net basis) income tax under the business profits article of an applicable income tax treaty, generally are exempt from the (gross basis) withholding tax described above. In order to obtain this exemption from withholding tax, the Non-U.S. Holder must provide the applicable withholding agent with an IRS Form W-8ECI or successor form or other applicable IRS Form W-8 certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States. Such effectively connected dividends, although not subject to withholding tax, are taxed at the same graduated rates applicable to U.S. persons, net of certain deductions and credits, subject to an applicable income tax treaty providing otherwise. In addition, if you are Non-U.S. Holder that is a corporation, dividends you receive that are effectively connected with your conduct of a U.S. trade or business (and, if an income tax treaty applies, are attributable to a permanent establishment maintained by the you in the United States) may also be subject to a branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items.

If you are eligible for a reduced rate of withholding tax pursuant to a tax treaty, you may be able to obtain a refund of any excess amounts currently withheld if you timely file an appropriate claim for refund with the IRS.

Gain on sale or other disposition of common stock

Subject to the discussion below regarding backup withholding and FATCA, a Non-U.S. Holder generally will not be required to pay U.S. federal income tax on any gain realized upon the sale or other disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if an income tax treaty applies, the gain is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States), in which case the Non-U.S. Holder will be required to pay tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates, and for a Non-U.S. Holder that is a corporation, such Non-U.S. Holder may be subject to the branch profits tax at a 30% rate (or such lower rate as may be specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items;
- the Non-U.S. Holder is an individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and certain other conditions are met, in which case the Non-U.S. Holder will be required to pay a flat 30% tax on the gain derived from the sale, which tax may be offset by U.S. source capital losses (even though the Non-U.S. Holder is not considered a resident of the United States) (subject to applicable income tax or other treaties); or
- our common stock constitutes a U.S. real property interest by reason of our status as a "U.S. real property holding corporation" for U.S. federal income tax purposes, a USRPHC, at any time within the shorter of the five-year period preceding the disposition or the Non-U.S. Holder's holding period for our common stock. We believe we are not currently and do not anticipate becoming a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we become a USRPHC, however, gain arising from the sale or other taxable

disposition by a Non-U.S. Holder of our common stock will not be subject to U.S. federal income tax as long as our common stock is regularly traded on an established securities market and such Non-U.S. Holder does not, actually or constructively, hold more than five percent of our common stock at any time during the applicable period that is specified in the Code. If the foregoing exception does not apply, then if we are or were to become a USRPHC a purchaser may be required to withhold 15% of the proceeds payable to a Non-U.S. Holder from a sale of our common stock and such Non-U.S. Holder generally will be taxed on its net gain derived from the disposition at the graduated U.S. federal income tax rates applicable to United States persons (as defined in the Code).

Backup withholding and information reporting

Generally, we must file information returns annually to the IRS in connection with any dividends on our common stock paid to a Non-U.S. Holder, regardless of whether any tax was actually withheld. A similar report will be sent to the Non-U.S. Holder. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in the Non-U.S. Holder's country of residence.

Payments of dividends or of proceeds on the disposition of stock made to a Non-U.S. Holder may be subject to additional information reporting and backup withholding at a current rate of 24% unless such Non-U.S. Holder establishes an exemption, for example by properly certifying its non-U.S. status on an IRS Form W-8BEN, IRS Form W-8BEN-E, IRS Form W-8ECI, or another appropriate version of IRS Form W-8 (or a successor form). Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that a holder is a U.S. person.

Backup withholding is not an additional tax; rather, the U.S. income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

Foreign account tax compliance act

The Foreign Account Tax Compliance Act, or FATCA, imposes withholding tax on certain types of payments made to foreign financial institutions and certain other non-U.S. entities. The legislation imposes a 30% withholding tax on dividends on, or, on or after January 1, 2019, gross proceeds from the sale or other disposition of, our common stock paid to a “foreign financial institution” or to certain “non-financial foreign entities” (each as defined in the Code), unless (i) the foreign financial institution undertakes certain diligence and reporting obligations, (ii) the non-financial foreign entity either certifies it does not have any “substantial United States owners” (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (i) above, it must enter into an agreement with the U.S. Treasury requiring, among other things, that it undertake to identify accounts held by “specified United States persons” or “United States-owned foreign entities” (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements. If the country in which a payee is resident has entered into an “intergovernmental agreement” with the United States regarding FATCA, that agreement may permit the payee to report to that country rather than to the U.S. Department of the Treasury. Prospective investors should consult their own tax advisors regarding the possible impact of these rules on their investment in our common stock, and the possible impact of these rules on the entities through which they hold our common stock, including, without limitation, the process and deadlines for meeting the applicable requirements to prevent the imposition of this 30% withholding tax under FATCA.

Federal estate tax

Common stock owned (or treated as owned) by an individual who is not a citizen or a resident of the United States (as defined for U.S. federal estate tax purposes) at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes unless an applicable estate or other tax treaty provides otherwise, and therefore may be subject to U.S. federal estate tax.

The preceding discussion of U.S. federal tax considerations is for general information only. It is not tax advice. Each prospective investor should consult its tax advisor regarding the particular U.S. federal, state and local and non-U.S. tax consequences of purchasing, holding and disposing of our common stock, including the consequences of any proposed change in applicable laws.

Underwriting

We are offering the shares of common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC, and Cowen and Company, LLC are acting as book-running managers of the offering and as representatives of the underwriters. We have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of common stock listed next to its name in the following table:

Name	Number of shares
J.P. Morgan Securities LLC	
Cowen and Company, LLC	
Needham & Company, LLC	
Wedbush Securities Inc.	
BTIG, LLC	
Total	3,000,000

The underwriters are committed to purchase all the common shares offered by us if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the common shares directly to the public at the offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. Any such dealers may resell shares to certain other brokers or dealers at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares to the public, the offering price and other selling terms may be changed by the underwriters. Sales of shares made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to 450,000 additional shares of common stock from us. The underwriters have 30 days from the date of this prospectus to exercise this option to purchase additional shares. If any shares are purchased with this option to purchase additional shares, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting fee is $ per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Without option to purchase additional shares exercise	With full option to purchase additional shares exercise
Per Share	$	$
Total	$	$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately $0.4 million. We have agreed to reimburse the underwriters for expenses relating to the clearance of this offering with the Financial Industry Regulatory Authority up to $50,000.

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not, directly or indirectly, (i) offer, sell, assign, transfer, pledge, contract to sell, or otherwise dispose of, or announce the intention to otherwise dispose of, any shares of our common stock (including, without limitation, common stock which may be deemed to be beneficially owned by us in accordance with the rules and regulations promulgated under the Securities Exchange Act of 1934) or securities convertible into or exercisable or exchangeable for our common stock, or (ii) enter into any swap, hedge, or similar agreement or other arrangement that transfers in whole or in part, the economic risk of ownership of any shares of common stock or any such other securities, or (iii) engage in any short selling of our common stock or securities convertible into or exercisable or exchangeable for our common stock, in each case without the prior written consent of J.P. Morgan Securities LLC and Cowen and Company, LLC for a period of 90 days after the date of this prospectus.

We have agreed that, subject to certain conditions, the foregoing restrictions shall not apply to:

(i) the shares of our common stock to be sold in this offering;

(ii) any shares of our common stock and options to purchase our common stock, shares of common stock underlying options granted and other securities, each issued pursuant to any director or employee stock option plan, stock ownership plan or dividend reinvestment plan of the Company;

(iii) any shares of our common stock issued pursuant to the conversion of securities or the exercise of warrants;

(iv) adoption of a new equity incentive plan, and filing a registration statement on Form S-8 under the Securities Act to register the offer and sale of securities to be issued pursuant to such new equity incentive plan, subject to certain limitations;

(v) any options and awards granted under an equity incentive plan described in this prospectus, provided that the recipient executes a lock-up agreement for the remainder of the 90-day period referred to above; or

(vi) issuances of our common stock or securities convertible or exchangeable for shares of common stock in connection with any acquisition, collaboration, licensing or other strategic transaction (but excluding transactions principally of a financing nature); subject to certain limitations.

Our directors and executive officers, and certain of our significant stockholders have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, with limited exceptions, for a period of 90 days (60 days for certain stockholders) after the date of this prospectus, may not, without the prior written consent of J.P. Morgan Securities LLC and Cowen and Company, LLC, directly or indirectly, (i) offer, sell, assign, transfer, pledge, contract to sell, or otherwise dispose of, or announce the intention to otherwise dispose of, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock (including, without limitation, common stock which may be deemed to be beneficially owned by each such director, executive officer and stockholder in accordance with the rules and regulations promulgated under the Securities Exchange Act of 1934) or securities convertible into or exercisable or exchangeable for our common stock or (ii) enter into any swap, hedge or similar agreement or arrangement that transfers in whole or in part, the economic risk of ownership of the common stock or securities convertible into or exercisable or exchangeable for our common stock, or (iii) engage in any short selling of our common stock or securities convertible into or exercisable or exchangeable for our common stock.

Each such director, executive officer and stockholder has agreed that, subject to certain conditions, the foregoing restrictions shall not apply to any shares of our common stock purchased in this offering or in the public market following this offering, or in the case of the following exceptions:

(i) transfers made as a bona fide gift to an immediate family member, to a trust the beneficiaries of which are exclusively the locked-up party or the locked-up party's immediate family member, or to a charity or educational institution; each of which is subject to certain conditions set forth in the lock-up agreement;

(ii) transfers made by will or intestate succession upon the death of the locked-up party; each of which is subject to certain conditions set forth in the lock-up agreement;

(iii) if the locked-up party is a corporation, partnership, limited liability company or other business entity, transfers not for value to a stockholder, partner or member of, or owner of a similar equity interest in, the locked-up party executing the agreement; each of which is subject to certain conditions set forth in the lock-up agreement;

(iv) if the locked-up party is a corporation, partnership, limited liability company or other business entity, transfers made by the locked-up party in connection with the sale of all or substantially all of its assets or equity interests;

(v) if the locked-up party is a corporation, partnership, limited liability company or other business entity, transfers not for value to an affiliate of the locked-up party; each of which is subject to certain conditions set forth in the lock-up agreement;

(vi) the locked-up party's net exercise or cashless exercise of our options or warrants;

(vii) transfers made by a locked-up party to satisfy tax withholding obligations in connection with our equity incentive plans or other arrangements disclosed in this prospectus;

(viii) the establishment of a trading plan in accordance with Rule 10b5-1(c) under the Exchange Act;

(ix) transactions made pursuant to a trading plan in effect as of the date of the lock-up agreement in accordance with Rule 10b5-1(c) under the Exchange Act;

(x) sales of shares acquired in this offering or in open market transactions after this offering so long as no public announcement or filing under Section 16(a) of the Exchange Act shall be required or voluntarily made;

(xi) transfers made through the operation of law, such as pursuant to a qualified domestic order or in connection with a divorce settlement; or

(xii) transfers, sales, tenders or other dispositions of our common stock pursuant to a tender offer for our securities or any other transaction, including, without limitation, consolidation or other business combination, involving a change of control that has been approved by our board of directors.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

Our common stock is listed on The Nasdaq Global Select Market under the trading symbol "GTHX."

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of the common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be "covered" shorts, which are short positions in an amount not greater than the underwriters' option to purchase additional shares referred to above, or may be "naked" shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option to purchase additional shares, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the option to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on The Nasdaq Global Select Market, in the over-the-counter market or otherwise.

In addition, in connection with this offering, the underwriters may engage in passive market making transactions in our common stock on The Nasdaq Global Select Market prior to the pricing and completion of this offering. Passive market making consists of displaying bids on The Nasdaq Global Select Market no higher than the bid prices of independent market makers and making purchases at prices no higher than these independent bids and effected in response to order flow. Net purchases by a passive market maker on each day are generally limited to a specified percentage of the passive market maker's average daily trading volume in the common stock during a specified period and must be discontinued when such limit is reached. Passive market making may cause the price of our common stock to be higher than the price that otherwise would exist in the open market in the absence of these transactions. If passive market making is commenced, it may be discontinued at any time.

Selling restrictions

General

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Notice to prospective investors in Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to prospective investors in the European Economic Area

In relation to each Member State of the European Economic Area (each, a "Relevant Member State"), no offer of shares may be made to the public in that Relevant Member State other than:

A. to any legal entity which is a qualified investor as defined in the Prospectus Directive;

B. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives; or

C. in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares shall require the Company or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the representatives and the Company that it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive. In the case of any shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

The Company, the representatives and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This prospectus has been prepared on the basis that any offer of shares in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly any person making or intending to make an offer in that Relevant Member State of shares which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for the Company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the underwriters have authorized, nor do they authorize, the making of any offer of shares in circumstances in which an obligation arises for the Company or the underwriters to publish a prospectus for such offer.

For the purpose of the above provisions, the expression “an offer to the public” in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Notice to prospective investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are “qualified investors” (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”) or otherwise in circumstances which have not resulted and will not result in an offer to the public of the shares in the United Kingdom within the meaning of the Financial Services and Markets Act 2000.

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Notice to prospective investors in Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to prospective investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore

Notice to prospective investors in Japan

The shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term, as used herein, means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Notice to prospective investors in Switzerland

The securities will not be offered, directly or indirectly, to the public in Switzerland and this prospectus does not constitute a public offering prospectus as that term is understood pursuant to article 652a or 1156 of the Swiss Federal Code of Obligations.

Notice to prospective investors in United Arab Emirates

This document has not been reviewed, approved or licensed by the Central Bank of the United Arab Emirates, or UAE, Emirates Securities and Commodities Authority or any other relevant licensing authority in the UAE including any licensing authority incorporated under the laws and regulations of any of the free zones established and operating in the territory of the UAE, in particular the Dubai International Financial Services Authority, or DFSA, a regulatory authority of the Dubai International Financial Centre, or DIFC. The issue of shares of common stock does not constitute a public offer of securities in the UAE, DIFC and/or any other free zone in accordance with the Commercial Companies law, Federal Law No. 8 of 1984 (as amended), DFSA Offered Securities Rules and the Dubai International Financial Exchange Listing Rules, accordingly or otherwise.

The shares may not be offered to the public in the UAE and/or any of the free zones including, in particular, the DIFC. The shares may be offered and this document may be issued, only to a limited number of investors in the UAE or any of its free zones (including, in particular, the DIFC) who qualify as sophisticated investors under the relevant laws and regulations of the UAE or the free zone concerned. Management of the company and the representatives of the underwriters represent and warrant the shares will not be offered, sold, transferred or delivered to the public in the UAE or any of its free zones.

Notice to prospective investors in Israel

In the State of Israel this prospectus shall not be regarded as an offer to the public to purchase shares of common stock under the Israeli Securities Law, 5728 – 1968, which requires a prospectus to be published and authorized by the Israel Securities Authority, if it complies with certain provisions of Section 15 of the Israeli Securities Law, 5728 – 1968, including, inter alia, if: (i) the offer is made, distributed or directed to not more than 35 investors, subject to certain conditions, or the Addressed Investors; or (ii) the offer is made, distributed or directed to certain qualified investors defined in the First Addendum of the Israeli Securities Law, 5728 – 1968, subject to certain conditions, or the Qualified Investors. The Qualified Investors shall not be taken into account in the count of the Addressed Investors and may be offered to purchase securities in addition to the 35 Addressed Investors. The company has not and will not take any action that would require it to publish a prospectus in accordance with and subject to the Israeli Securities Law, 5728 – 1968. We have not and will not distribute this prospectus or make, distribute or direct an offer to subscribe for our common stock to any person within the State of Israel, other than to Qualified Investors and up to 35 Addressed Investors.

Qualified Investors may have to submit written evidence that they meet the definitions set out in of the First Addendum to the Israeli Securities Law, 5728 – 1968. In particular, we may request, as a condition to be offered common stock, that Qualified Investors will each represent, warrant and certify to us and/or to anyone acting on our behalf: (i) that it is an investor falling within one of the categories listed in the First Addendum to the Israeli Securities Law, 5728 – 1968; (ii) which of the categories listed in the First Addendum to the Israeli Securities Law, 5728 – 1968 regarding Qualified Investors is applicable to it; (iii) that it will abide by all provisions set forth in the Israeli Securities Law, 5728 – 1968 and the regulations promulgated thereunder in connection with the offer to be issued common stock; (iv) that the shares of common stock that it will be issued are, subject to exemptions available under the Israeli Securities Law, 5728 – 1968: (a) for its own account; (b) for investment purposes only; and (c) not issued with a view to resale within the State of Israel, other than in accordance with the provisions of the Israeli Securities Law, 5728 – 1968; and (v) that it is willing to provide further evidence of its Qualified Investor status. Addressed Investors may have to submit written evidence in respect of their identity and may have to sign and submit a declaration containing, inter alia, the Addressed Investor’s name, address and passport number or Israeli identification number.

Notice to prospective investors in Russia

The shares to which this prospectus relates will not be offered, advertised, transferred or sold as part of their initial distribution or at any time thereafter to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in Russia or to any person located within the territory of Russia who is not a qualified investor in accordance with Russian law unless and to the extent otherwise permitted under Russian law.

This prospectus should not be considered as a public offer or advertisement of the shares to which this prospectus relates in Russia and is not an offer, or an invitation to make offers, to purchase any such shares in Russia. Neither the shares nor any prospectus or other document relating to them have been registered with the Federal Service for Financial Markets of the Russian Federation and are not intended for "placement" or "public circulation" in Russia.

Other relationships

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Legal matters

The validity of the shares of common stock offered by this prospectus will be passed upon for us by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts. Certain legal matters in connection with this offering will be passed upon for the underwriters by Goodwin Procter LLP, New York, New York.

Experts

The financial statements as of December 31, 2017 and December 31, 2016, and for each of the three years in the period ended December 31, 2017 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Where you can find more information

We have filed with the SEC a registration statement on Form S-1, including exhibits and schedules, under the Securities Act that registers the shares of our common stock to be sold in this offering. This prospectus does not contain all the information contained in the registration statement and the exhibits and schedules filed as part of the registration statement. For further information with respect to us and our common stock, we refer you to the registration statement and the exhibits and schedules filed as part of the registration statement. Statements contained in this prospectus as to the contents of any contract or other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, we refer you to the copies of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit.

We file annual, quarterly and current reports, proxy statements and other information with the SEC under the Exchange Act. You can read our SEC filings, including the registration statement, at the SEC's website at www.sec.gov.

You may read and copy this information at the SEC's Public Reference Room at 100 F Street, N.E., Washington D.C. 20549, at prescribed rates. You may obtain information regarding the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website (*http://www.sec.gov*) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

Our website address is www.g1therapeutics.com. The information contained in, and that can be accessed through, our website is not incorporated into and shall not be deemed to be part of this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of G1 Therapeutics, Inc.:

Opinion on the Financial Statements

We have audited the accompanying balance sheets of G1 Therapeutics, Inc. as of December 31, 2017 and December 31, 2016, and the related statements of operations, of redeemable convertible preferred stock and stockholders' equity (deficit) and of cash flows for each of the three years in the period ended December 31, 2017, including the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

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

/s/ PricewaterhouseCoopers LLP

Raleigh, North Carolina
February 21, 2018

We have served as the Company's auditor since 2014.

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

	December 31, 2017	December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	$ 103,812	$ 47,305
Prepaid expenses and other current assets	849	596
Total current assets	104,661	47,901
Property and equipment, net	510	311
Total assets	$ 105,171	$ 48,212
Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)		
Current liabilities		
Accounts payable	$ 4,184	$ 2,605
Accrued expenses	7,520	2,853
Warrant liability	—	167
Total current liabilities	11,704	5,625
Other non-current liabilities	79	—
Total liabilities	11,783	5,625
Commitments and contingencies		
Series C redeemable convertible preferred stock $0.0001 par value, 0 shares authorized, issued and outstanding on December 31, 2017, 17,000,000 shares authorized, 5,609,398 issued and outstanding on December 31, 2016; (liquidation preference of $51,673 on December 31, 2016)	—	51,424
Series B redeemable convertible preferred stock $0.0001 par value, 0 shares authorized, issued and outstanding on December 31, 2017, 23,000,000 shares authorized, 7,642,734 issued and outstanding on December 31, 2016; (liquidation preference of $35,722 on December 31, 2016)	—	40,355
Series A redeemable convertible preferred stock $0.0001 par value, 0 shares authorized, issued and outstanding on December 31, 2017, 14,996,692 shares authorized, 4,998,895 issued and outstanding on December 31, 2016; (liquidation preference of $14,431 on December 31, 2016)	—	14,431
Series 1 redeemable convertible preferred stock $0.0001 par value, 0 shares authorized, issued and outstanding on December 31, 2017, 2,112,025 shares authorized, 682,026 issued and outstanding on December 31, 2016; (liquidation preference of $931 on December 31, 2016)	—	1,370
Stockholders' equity (deficit)		
Common stock, $0.0001 par value, 120,000,000 shares and 73,000,000 shares authorized as of December 31, 2017 and December 31, 2016, respectively; 28,420,511 and 1,504,947 shares issued as of December 31, 2017 and December 31, 2016, respectively; 28,393,845 and 1,478,281 shares outstanding as of December 31, 2017 and December 31, 2016, respectively	3	—
Treasury stock, 26,666 shares	(8)	(8)
Additional paid-in capital	222,511	—
Accumulated deficit	(129,118)	(64,985)
Total stockholders' equity (deficit)	93,388	(64,993)
Total liabilities, mezzanine equity and equity	$ 105,171	$ 48,212

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

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

	Year Ended December 31, 2017	2016	2015
Grant revenue	$ —	$ —	$ 522
Operating expenses			
Research and development	53,881	25,161	12,730
General and administrative	7,087	5,230	3,216
Total operating expenses	60,968	30,391	15,946
Operating loss	(60,968)	(30,391)	(15,424)
Other income (expense)			
Other income	888	182	18
Change in fair value in warrant liability and other liabilities	(41)	(82)	(85)
Change in fair value of Series B purchase option liability	—	—	(4,772)
Total other income (expense), net	847	100	(4,839)
Net loss	$ (60,121)	$ (30,291)	$ (20,263)
Accretion of redeemable convertible preferred stock	(4,757)	(4,405)	(1,427)
Net loss attributable to common stockholders	$ (64,878)	$ (34,696)	$ (21,690)
Net loss per share attributable to common stockholders, basic and diluted	$ (3.57)	$ (23.33)	$ (16.13)
Weighted average common shares outstanding, basic and diluted	18,197,970	1,486,986	1,344,584

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

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G1 Therapeutics, Inc.
Statements of Redeemable Convertible Preferred Stock and Stockholders’ Equity (Deficit)
(in thousands, except share amounts)

	Preferred stock series C		Preferred stock series B		Preferred stock series A		Preferred stock series 1		Common stock		Treasury stock		Additional paid-in capital	Accumulated deficit	Total share-holders’ equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at December 31, 2014	**—**	**$**	**—**	**$ —**	**4,998,895**	**$13,171**	**682,026**	**$ 931**	**1,273,831**	**$ —**	**(26,666)**	**$ (8)**	**$ 3**	**$ (10,623)**	**$(10,628)**
Issuance of Series B redeemable convertible preferred stock	—	—	7,642,734	33,262	—	—	—	—	—	—	—	—	—	—	—
Allocation of Series B proceeds to Series B purchase option liability	—	—	—	(1,935)	—	—	—	—	—	—	—	—	—	—	—
Accretion of redeemable, convertible preferred stock	—	—	—	797	—	630	—	—	—	—	—	—	(626)	(800)	(1,426)
Exercise of common stock options	—	—	—	—	—	—	—	—	164,722	—	—	—	53	—	53
Exercise of common stock warrants	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	389	—	389
Stock financing costs	—	—	—	(139)	—	—	—	—	—	—	—	—	—	—	—
Issuance of common shares for license agreement	—	—	—	—	—	—	—	—	48,666	—	—	—	181	—	181
Exercise of Series B purchase option liability	—	—	—	6,707	—	—	—	—	—	—	—	—	—	—	—
Net loss during year	—	—	—	—	—	—	—	—	—	—	—	—	—	(20,263)	(20,263)
Balance at December 31, 2015	**—**	**$ —**	**7,642,734**	**$38,692**	**4,998,895**	**$13,801**	**682,026**	**$ 931**	**1,487,219**	**$ —**	**(26,666)**	**$ (8)**	**$ —**	**$ (31,686)**	**$(31,694)**

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	Preferred stock series C		Preferred stock series B		Preferred stock series A		Preferred stock series 1		Common stock		Treasury stock		Additional paid-in capital	Accumulated deficit	Total share-holders' equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at December 31, 2015	**—**	**$ —**	**7,642,734**	**$ 38,692**	**4,998,895**	**$ 13,801**	**682,026**	**$ 931**	**1,487,219**	**$ —**	**(26,666)**	**$ (8)**	**$ —**	**$ (31,686)**	**$ (31,694)**
Issuance of Series C redeemable convertible preferred stock	5,609,398	50,000	—	—	—	—	—	—	—	—	—	—	—	—	—
Accretion of redeemable, convertible preferred stock	—	1,673	—	1,663	—	630	—	439	—	—	—	—	(1,397)	(3,008)	(4,405)
Exercise of common stock options	—	—	—	—	—	—	—	—	17,728	—	—	—	6	—	6
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	1,391	—	1,391
Stock financing costs	—	(249)	—	—	—	—	—	—	—	—	—	—	—	—	—
Net loss during year	—	—	—	—	—	—	—	—	—	—	—	—	—	(30,291)	(30,291)
Balance at December 31, 2016	**5,609,398**	**$ 51,424**	**7,642,734**	**$ 40,355**	**4,998,895**	**$ 14,431**	**682,026**	**$ 1,370**	**1,504,947**	**$ —**	**(26,666)**	**$ (8)**	**$ —**	**$ (64,985)**	**$ (64,993)**
Accretion of redeemable, convertible preferred stock	—	3,732	—	620	—	235	—	171	—	—	—	—	(745)	(4,012)	(4,757)
Initial public offering	—	—	—	—	—	—	—	—	7,781,564	1	—	—	108,502	—	108,503
Automatic conversion of preferred stock	(5,609,398)	(55,156)	(7,642,734)	(40,975)	(4,998,895)	(14,666)	(682,026)	(1,541)	18,933,053	2	—	—	112,335	—	112,337
Automatic conversion of preferred warrants	—	—	—	—	—	—	—	—	—	—	—	—	208	—	208
Exercise of common stock options	—	—	—	—	—	—	—	—	160,579	—	—	—	214	—	214
Exercise of common stock warrants	—	—	—	—	—	—	—	—	40,368	—	—	—	1	—	1
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	3,394	—	3,394
IPO financing costs	—	—	—	—	—	—	—	—	—	—	—	—	(1,398)	—	(1,398)
Net loss during quarter	—	—	—	—	—	—	—	—	—	—	—	—	—	(60,121)	(60,121)
Balance at December 31, 2017	**—**	**$ —**	**—**	**$ —**	**—**	**$ —**	**—**	**$ —**	**28,420,511**	**$ 3**	**(26,666)**	**$ (8)**	**$ 222,511**	**$ (129,118)**	**$ 93,388**

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

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

	Year Ended December 31, 2017	2016	2015
Cash flows from operating activities			
Net loss	$ (60,121)	$(30,291)	$(20,263)
Adjustments to reconcile net loss to net cash used in operating activities			
Depreciation and amortization	89	67	42
Stock-based compensation	3,394	1,391	389
Purchase of license agreement	—	—	181
Gain/loss on disposal of property and equipment	6	18	2
Increase in fair value of warrant activity	41	82	85
Increase in fair value of Series B purchase option liability	—	—	4,773
Change in operating assets and liabilities			
Prepaid expenses and other assets	(253)	216	(789)
Accounts payable and accrued expenses	6,325	3,376	1,735
Net cash used in operating activities	(50,519)	(25,141)	(13,845)
Cash flows from investing activities			
Purchases of property and equipment	(294)	(250)	(87)
Net cash used in investing activities	(294)	(250)	(87)
Cash flows from financing activities			
Proceeds from stock options and warrants exercised	215	7	53
Proceeds from Series C preferred stock	—	50,000	—
Proceeds from Series B preferred stock	—	—	33,263
Issuance costs for preferred share financings	—	(249)	(140)
Proceeds from initial public offering, net of underwriting fees and commissions	108,503	—	—
Payment of public offering costs	(1,398)	—	—
Net cash provided by financing activities	107,320	49,758	33,176
Net change in cash and cash equivalents	56,507	24,367	19,244
Cash and cash equivalents			
Beginning of period	47,305	22,938	3,694
End of period	$103,812	$ 47,305	$ 22,938
Non-cash investing and financing activities			
Accretion of redeemable convertible preferred stock	$ 4,757	$ 4,405	$ 1,427
Exercise of Series B purchase option	$ —	$ —	$ 6,708
Common stock issued for patent rights	$ —	$ —	$ 181
Conversion of preferred stock and preferred warrants to common stock and common warrants	$112,545	$ —	$ —

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

G1 Therapeutics, Inc.
Notes to Financial Statements

1. Description of business

G1 Therapeutics, Inc. (the "Company") is a privately held clinical-stage biopharmaceutical company based in Research Triangle Park, North Carolina that focuses on the discovery and development of novel therapeutics for the treatment of cancer. The Company was incorporated on May 19, 2008 in the state of Delaware.

The Company focuses on cyclin-dependent kinases (CDKs), a family of proteins that plays an important role in the growth and proliferation of all human cells. The Company has focused its CDK research on developing potent and selective inhibitors of the kinases CDK4 and CDK6, collectively known as CDK4/6. The Company is currently advancing two CDK4/6 inhibitor product candidates that each have broad applicability across multiple cancer indications.

Trilaciclib, the Company's most advanced clinical-stage candidate, is a potential first-in-class intravenous CDK4/6 inhibitor designed to preserve hematopoietic stem cells and enhance immune system function during chemotherapy. Based on compelling response rates and favorable tolerability shown in early-stage trials, trilaciclib is currently being evaluated in four randomized Phase 1b/2a trials: two in patients with small cell lung cancer, or SCLC, an additional Phase 2 trial in combination with Tecentriq in SCLC and a Phase 2 in patients with triple-negative breast cancer, or TNBC.

G1T38, the Company's second clinical-stage candidate, is a potential best-in-class oral CDK4/6 inhibitor, to be used in combination with other targeted therapies to treat multiple cancers. A Phase 1 trial of G1T38 in 75 healthy volunteers showed a favorable safety profile, and the Company initiated a Phase 1/2 trial in ER+, HER2- breast cancer in January 2017. The Company's plans for G1T38 include future combinations in other cancers, such as non-small cell lung cancer, or NSCLC.

As part of the Company's strategy to develop wholly-owned proprietary combinations, the Company has exclusively in-licensed G1T48, a potential first/best-in-class oral selective estrogen receptor degrader, or SERD. The Company expects to initially develop G1T48 to be used in combination with G1T38 for the treatment of ER+, HER2- breast cancer.

The Company plans to continue to leverage its proprietary assets and knowledge of CDK4/6 biology to explore additional combination treatments and to build a fully integrated oncology company.

The Company's financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As of December 31, 2017, the Company had an accumulated deficit of $129.1 million. The Company has reported a net loss in all fiscal periods since inception and expects to incur substantial losses in the future to conduct research and development and pre-commercialization activities.

As of December 31, 2017, the Company had cash and cash equivalents of $103.8 million. The Company expects that its existing cash and cash equivalents will enable it to fund its operating expenses and capital expenditure requirements for greater than 12 months from the date of filing this prospectus. The failure of the Company to obtain sufficient funds on acceptable terms when needed could have a material adverse effect on the Company's results of operations and financial condition.

2. Summary of significant accounting policies

Basis of presentation

The Company has prepared the accompanying financial statements in conformity with generally accepted accounting principles in the United States of America ("U.S. GAAP").

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. Actual results could differ from those estimates. These estimates include the Company's common stock valuation, warrant valuation and deferred tax asset valuation allowance.

Cash and cash equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents at December 31, 2017 consist of amounts on deposit in banks, including checking accounts, money market accounts and certificates of deposit. Cash deposits are all in financial institutions in the United States.

Concentration of credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. Deposits with financial institutions are insured, up to certain limits, by the Federal Deposit Insurance Corporation ("FDIC"). The Company's cash deposits often exceed the FDIC insurance limit; however, all deposits are maintained with high credit quality institutions and the Company has not experienced any losses in such accounts. The financial condition of financial institutions is periodically reassessed, and the Company believes the risk of any loss is minimal. The Company believes the risk of any loss on cash due to credit risk is minimal.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is generally calculated using the straight-line method over the following estimated useful lives:

Computer equipment	5 years
Laboratory equipment	5 years
Furniture and fixtures	7 years
Leasehold improvements	7 years

Costs associated with maintenance and repairs are charged to expense as incurred. Property and equipment held under leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the related asset.

Impairment of long-lived assets

The Company evaluates its long-lived assets for indicators of possible impairment by comparison of the carrying amounts to future net undiscounted cash flows expected to be generated by such assets when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Should an impairment exist, the impairment loss would be measured based on the excess carrying value of the asset over the asset's fair value based on discounted estimates of future cash flows. For the years ended December 31, 2017, 2016 and 2015, the Company's management evaluated its long-lived assets and determined no impairment charge was needed.

Warrant liability

Warrants to purchase the Company's redeemable convertible preferred stock have been classified as liabilities and are recorded at their estimated fair value. In each reporting period, any change in fair value of the warrants has been recorded as expense in the case of an increase in fair value and income in the case of a decrease in fair value.

Series B purchase option liability

The option to purchase shares of Series B redeemable convertible preferred stock in the second tranche has been accounted for as a free-standing instrument and classified as a liability. On February 4, 2015, upon purchase of the first tranche of Series B Preferred Stock, the option to purchase additional shares was recorded at its fair value, with the remaining cash proceeds received on that date allocated to Series B Preferred Stock. As the value of the option to purchase shares in the second tranche increased over time, a change in the fair value of the liability was recorded as "Change in fair value of Series B purchase option liability" in the accompanying statement of operations. This free-standing instrument was exercised on December 10, 2015 when the holders exercised their right to require the purchase of the second tranche shares by the holders of the outstanding shares of Series B Preferred Stock, resulting in an outstanding liability of $0 on December 31, 2016 and 2017.

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, the Company estimates and accrues expenses, the largest of which is related to accrued research and development expenses. This process involves reviewing contracts and purchase orders, identifying services that have been performed 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 preclinical studies and clinical trial activities are recognized 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 expenses as of each balance sheet date are based on the facts and circumstances known at the time.

Revenue recognition

The Company received the majority of its revenues from grant programs authorized by Congress through the Small Business Innovation Research (SBIR) program and the Small Business Technology Transfer Act (STTR) of 1992. In addition, the Company was also awarded grant funds through other federal and state programs related to its research. Under the terms of the grants, the Company is entitled to receive reimbursement of its allowable direct expenses, allocated overhead and general and administrative expenses.

Revenue received under these grant programs is recognized as direct project costs are incurred, plus a portion of the Company's indirect costs such as overhead and general and administrative expenses allocated to the project. The Company's grant agreements are fixed fee arrangements.

In the event that the granting agency provides advance funding of a grant award, the Company records deferred revenues and then recognizes revenue as costs are incurred over the life of the grant.

To date, the Company has not generated any revenue from the commercial sale of its product candidates.

Fair value of financial instruments

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 December 31, 2017 and 2016 these financials 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 December 31, 2017
Assets				
Money market funds	$ 87,694	$ —	$ —	$ 87,694
Certificates of Deposit	15,203	—	—	15,203
Total assets at fair value:	$ 102,897	$ —	$ —	$ 102,897
Liabilities:				
Warrant Liability	$ —	$ —	$ —	$ —
Total liabilities at fair value:	$ —	$ —	$ —	$ —

	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, 2016
Assets				
Money market funds	$ 31,730	$ —	$ —	$ 31,730
Certificates of Deposit	15,041	—	—	15,041
Total assets at fair value:	$ 46,771	$ —	$ —	$ 46,771
Liabilities:				
Warrant Liability	$ —	$ —	$ 167	$ 167
Total liabilities at fair value:	$ —	$ —	$ 167	$ 167

The change in the fair value measurement using significant inputs (Level 3) is summarized below (in thousands):

Balance at December 31, 2015	$ 85
Change in fair value in warrant liability	82
Balance at December 31, 2016	$ 167
Change in fair value in warrant liability	41
Conversion of warrant to common stock warrant	(208)
Balance at December 31, 2017	$ —

Patent costs

Costs associated with the submission of patent applications are expensed as incurred given the uncertainty of the future economic benefits of the patents. Patent-related legal expenses included in general and administrative costs were approximately $997, $1,034, and $691 for the years ended December 31, 2017, 2016 and 2015, respectively.

Income taxes

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 December 31, 2017 and 2016, 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 December 31, 2017 and 2016, the Company had no such accruals.

Stock-based compensation

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

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

Segment information

The Company manages its operations as a single segment for the purposes of assessing performance and making operating decisions. All of the Company's assets are held in the United States.

Comprehensive loss

Comprehensive loss includes net loss as well as other changes in stockholders' equity (deficit) that result from transactions and economic events other than those with stockholders. There was no difference between net loss and comprehensive loss for each of the periods presented in the accompanying financial statements.

Redeemable convertible preferred stock

The Company classifies its redeemable convertible preferred stock, for which the Company does not control the redemption, outside of permanent equity. The Company records redeemable convertible preferred stock at fair value upon issuance, net of any offering costs, and the carrying value is adjusted to the redemption value at the end of each reporting period. These adjustments are effected through charges against additional paid-in capital and accumulated deficit.

New accounting standards

In May 2017, the FASB issued ASU 2017-09, *Compensation—Stock Compensation (Topic 718)*: Scope of Modification Accounting. This guidance is intended to provide clarity and reduce diversity in practice as to when changes to the terms or conditions of share-based payments are accounted for as modifications. Under this new guidance, entities will apply modification accounting if the fair value, vesting conditions or classification of the award changes. This guidance will be effective for annual reporting periods beginning after December 15, 2017, including interim periods within those annual reporting periods, and early adoption is permitted. The guidance per ASU 2017-09 is to be adopted prospectively to an award modified on or after the adoption date. The Company does not anticipate a material impact to the Company's financial statements as a result of the adoption of this guidance.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The FASB issued ASU 2016-09 to improve U.S. GAAP by providing guidance on the cash flow statement classification of eight specific areas where there is existing diversity in practice. The FASB expects that the guidance in this ASU will reduce the current and potential future diversity in practice in such areas. This ASU is effective for annual and interim periods beginning after December 15, 2017, with early adoption permitted. The Company is currently evaluating the impact of the adoption of this ASU on the Company's financial statements.

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

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

3. Property and equipment

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

	December 31, 2017	December 31, 2016
Computer equipment	$ 112	$ 67
Laboratory equipment	283	207
Furniture and fixtures	174	64
Leasehold improvements	121	80
Construction in progress	1	—
Accumulated depreciation	(181)	(107)
Property and equipment, net	$ 510	$ 311

Depreciation expenses relating to property and equipment were $89, $67, and $42 for the years ended December 31, 2017, 2016 and 2015, respectively.

4. 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) whereby 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 $500 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 low single-digit royalty percentage on all net sales of products and a share of sublicensing revenues. The University is eligible to receive milestone payments of up to $2,625 related to the initiation and execution of clinical trials and first commercial sale of a product in multiple countries. The Company is also responsible for all future patent prosecution costs.

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

On December 31, 2015 the Company entered into a non-exclusive, royalty-free license agreement for patent rights. As consideration for the patent rights, the Company issued 48,666 shares of common stock with a fair value of $181, and agreed to pay past and future patent prosecution costs related to the countries in which valid claims have or will have issued. The aggregate fair value of all consideration paid was expensed as a research and development cost in 2015.

5. Accrued expenses

Accrued expenses are comprised as follows (in thousands):

	December 31, 2017	December 31, 2016
Accrued external research and professional fees	$ 1,402	$ 295
Accrued external clinical study costs	4,788	1,897
Accrued compensation expense	1,328	617
Deferred rent, current portion	2	44
Accrued expenses	$ 7,520	$ 2,853

6. Lease obligations

Operating lease commitments

Pursuant to a lease dated January 10, 2014, on April 1, 2014, the Company leased office and lab space under a lease agreement for $6 per month with a free rent period and escalating rent payments; the lease was set to expire on July 31, 2017.

On January 27, 2016, the Company signed an amendment to the Company's existing lease to move to a larger office and lab space beginning in August 2016 for $16 per month with a discounted rent period and escalating rent payments; the lease was extended to December 31, 2022. The amendment also contained an option for a five year renewal and a right of first refusal to lease adjacent office space.

On March 27, 2017, the Company signed an amendment to the Company's existing lease to lease additional, adjacent office space. Beginning August 2017, the combined space leased for $24 per month with a discounted rent period and escalating rent payments. The lease is set to expire on December 31, 2022. The Company has maintained an option for a five year renewal on the combined space.

Rent expense amounted to $252, $126 and $71 for the years ended December 31, 2017, 2016 and 2015, respectively.

The following is a schedule by years of minimum future rental payments on noncancelable operating leases as of December 31, 2017 (in thousands):

2018	$ 294
2019	303
2020	312
2021	321
2022	331
2023	—
	$1,561

7. Capitalization

Redeemable convertible preferred stock

The Company has determined that the Series C, Series B, Series A and Series 1 redeemable convertible preferred stock were redeemable, after a stated period of time, based on voting thresholds that vary by shareholder class, as outlined in the Company's certificate of incorporation. The Company classified its redeemable convertible preferred stock outside of permanent equity and into mezzanine equity.

The Company recorded its redeemable convertible preferred stock at fair value upon issuance, net of any issuance costs or discounts, and the carrying value is increased by periodic accretion to its redemption value until the earliest possible date of redemption. These increases were recorded as charges against additional paid-in-capital until the additional paid-in-capital balance is reduced to zero. At that time, additional accretion adjustments were recorded as additions to accumulated deficit.

In May 2014, the Company issued 2,495,663 shares of its Series A redeemable convertible preferred stock for cash consideration of $2.52 per share. Total proceeds, including cancellation of indebtedness of $39, amounted to $6,289.

In February 2015, the Company's Board of Directors and stockholders approved the Fourth Amended and Restated Certification of Incorporation, which increased the authorized number of shares of its redeemable convertible preferred stock to 39,908,717, of which 2,112,025 were designated as Series 1 redeemable convertible preferred stock, 14,996,692 as Series A redeemable convertible preferred stock and 22,800,000 as Series B redeemable convertible preferred stock. At the same time, the Company issued 3,794,024 shares of its Series B redeemable convertible preferred stock for cash consideration and cancellation of indebtedness at a price of $4.3521 per share. Total proceeds, including cancellation of indebtedness of $12, amounted to $16,512.

In December 2015, the Company approved a Certificate of Amendment to the Fourth Amended and Restated Certification of Incorporation which increased the authorized number of shares of its redeemable convertible preferred stock to 40,108,717, of which 2,112,025 were be designated as Series 1 redeemable convertible preferred stock, 14,996,692 as Series A redeemable convertible preferred stock and 23,000,000 as Series B redeemable convertible preferred stock. At the same time, the Company authorized 11,546,147 shares of its Series B redeemable convertible preferred stock and issued 3,848,710 shares of its Series B redeemable convertible preferred stock for cash consideration at a price of $4.3521 per share. Total additional proceeds amounted to $16,750.

In April 2016, the Company's Board of Directors and stockholders approved the Fifth Amended and Restated Certification of Incorporation which increased the authorized number of shares of its redeemable convertible preferred stock to 57,108,717, of which 2,112,025 were be designated as Series 1 redeemable convertible preferred stock, 14,996,692 as Series A redeemable convertible preferred stock, 23,000,000 as Series B redeemable convertible preferred stock and 17,000,000 as Series C redeemable convertible preferred stock. In the second quarter of 2016, the Company authorized 16,828,217 shares of its Series C redeemable convertible preferred stock and issued 5,609,398 shares of its Series C redeemable convertible preferred stock for cash consideration at a price of $8.91 per share. Total additional proceeds amounted to $50,000.

Prior to the IPO, the holders of the Company's convertible preferred stock had certain voting and dividend rights, as well as liquidation preferences and conversion privileges. All rights, preferences and privileges associated with the convertible preferred stock were terminated at the time of the Company's IPO in conjunction with the conversion of all outstanding shares of convertible preferred stock into shares of common stock.

On May 22, 2017, the Company closed its IPO of 7,781,564 shares of the Company's common stock at a public offering price of $15.00 per share, including 781,564 shares of common stock issued upon exercise by the underwriters of their option to purchase additional shares. The gross proceeds from the IPO were $116.7 million and net proceeds were $107.1 million, after deducting underwriting discounts and commissions and other offering expenses payable by the Company.

Upon closing of the IPO, all outstanding shares of the Company's preferred stock were automatically converted into 18,933,053 shares of common stock. In connection with the IPO, the Board of Directors and the stockholders of the Company approved a one-for-three reverse stock split of the Company's common stock. The reverse stock split became effective on May 11, 2017. All share and per share amounts in the financial statements have been retroactively adjusted for all periods presented to give effect to the reverse stock split, including reclassifying an amount equal to the reduction in par value to accumulated deficit.

Series B preferred stock tranche rights

Pursuant to the terms of the Series B Preferred Stock Purchase Agreement, the purchasers of Series B redeemable convertible preferred stock at the initial closing also committed to purchase an aggregate of 3,791,272 shares of Series B redeemable convertible preferred stock at $4.3521 per share (the "Second Tranche Shares") at a second closing, subject to certain conditions, upon the achievement of one of the following milestones: (i) the Company's enrollment of ten patients in an IV trilaciclib SCLC chemoprotection clinical trial with resulting data trending positively against historical controls or (ii) successful completion of IND-enabling studies for an oral trilaciclib antineoplastic program; provided, that either milestone is achieved prior to the earliest to occur of (i) a qualified initial public offering, (ii) a liquidation event or (iii) 12 months after the initial closing. Holders of at least sixty percent (60%) of the then-outstanding shares of Series B redeemable convertible preferred stock may elect to waive the foregoing conditions and to require the purchasers of Series B redeemable convertible preferred stock to purchase their pro rata portion of the Second Tranche Shares. Each purchaser also had the option, but not the obligation, to purchase all of its allocation of the Second Tranche Shares at any time prior to the earlier to occur of (i) the second closing, and (ii) 12 months after the initial closing.

The option to purchase shares of Series B redeemable convertible preferred stock in the second tranche has been accounted for as a free-standing instrument and classified as a liability. On February 4, 2015, upon purchase of the first tranche of Series B redeemable convertible preferred stock, the option to purchase additional shares was recorded at its fair value, with the remaining cash proceeds received on that date allocated to Series B redeemable convertible preferred stock. As the value of the option to purchase shares in the second tranche increased over time, a change in the fair value of the liability was recorded as "Change in fair value of Series B purchase option liability" in the accompanying statement of operations. This free-standing instrument was exercised on December 10, 2015 when the holders of at least sixty percent (60%) of the then-outstanding shares of Series B redeemable convertible preferred stock elected to waive the conditions set forth above and required the purchasers of Series B redeemable convertible preferred stock to purchase their pro rata portion of the second tranche shares resulting in an outstanding liability of $0 on December 31, 2016. The Company relied on an independent third-party valuation in estimating the fair value of its Series B purchase option liability. The valuations used significant assumptions including the estimated volatility range of 68%-71%, risk free interest rate range of 0.47%-0.94%, estimated fair value of the redeemable convertible preferred stock and a 2-year estimated life of the purchase option. These assumptions were used in the option pricing method and the probability weighted expected return method, a blend of which were considered in establishing fair value.

Preferred stock

Upon completion of the IPO, all outstanding preferred stock was automatically converted into 18,933,053 shares of common stock. The Company is also authorized to issue 5.0 million shares of undesignated preferred stock in one or more series. As December 31, 2017, no shares of preferred stock were issued or outstanding.

Common stock

The Company's common stock has a par value of $0.0001 per share and consists of 120,000,000 and 73,000,000 authorized shares as of December 31, 2017 and 2016, respectively. Holders of common stock are entitled to one vote per share and are entitled to receive dividends, as if and when declared by the Company's Board of Directors.

The Company has reserved authorized shares of common stock for future issuance at December 31, 2017 and December 31, 2016 as follows:

	December 31, 2017	December 31, 2016
Conversion of Series C Preferred Stock on a fully-diluted basis	—	5,609,398
Conversion of Series B Preferred Stock on a fully-diluted basis	—	7,642,734
Conversion of Series A Preferred Stock on a fully-diluted basis	—	4,998,895
Conversion of Series 1 Preferred Stock on a fully-diluted basis	—	682,026
Common stock warrants issued with promissory notes	—	16,666
Other common stock warrants	—	3,466
Series 1 Preferred Stock warrants issued with promissory notes	—	21,978
Common stock options outstanding	4,116,333	3,690,058
Options available for grant under Equity Incentive Plans	1,602,687	176,919
	5,719,020	22,842,140

8. Stock option plan

2011 Equity Incentive Plan

In March 2011, the Company adopted the 2011 Equity Incentive Plan (the "Plan"). As amended, 4,400,640 shares of common stock were reserved for issuance under the 2011 Plan. Eligible plan participants included employees, directors, officers, consultants and advisors of the Company. The 2011 plan permitted the granting of incentive stock options, nonqualified stock options and other stock- based awards. 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.

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 December 31, 2017, there were a total of 1,602,687 shares of common stock available for future issuance under the 2017 Plan.

Stock-based Compensation

During the years ended December 31, 2017, 2016 and 2015, the Company recorded employee share-based compensation expense of $1,772, $907, and $180, respectively. The Company recorded non-employee share-based compensation expense of $1,622, $484, and $209 during the years ended December 31, 2017, 2016 and

2015, respectively. Total share-based compensation expense included in the statements of operations is as follows:

	Year Ended December 31,		
	2017	2016	2015
			in thousands
Research and development	$2,531	$ 911	$221
General and administrative	863	480	168
Total stock-based compensation expense	$3,394	$1,391	$389

The fair value of each option grant is estimated on the grant date using the Black-Scholes option-pricing model, using the following weighted average assumptions:

			Year Ended December 31,
	2017	2016	2015
Expected volatility	74.2—79.3%	74.8—83.9%	66.8—69.3%
Weighted-average risk-free rate	1.9—2.2%	1.2—2.1%	1.5—1.7%
Dividend yield	—%	—%	—%
Expected term (in years)	6.01	6.40	6.56
Weighted-average grant-date fair value per share	$ 10.71	$ 3.24	$ 1.59

The expected term of stock options represents the weighted-average period the stock options are expected to remain outstanding and is based on the option vesting term, contractual terms and industry peers as the Company did not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior.

The expected stock price volatility assumptions for the Company's stock options were determined by examining the historical volatilities for industry peers.

The risk-free interest rate assumption at the date of grant is based on the U.S. Treasury instruments whose term was consistent with the expected term of the Company's stock options.

The expected dividend assumption is based on the Company's history and expectation of dividend payouts.

Stock option activity during 2017 is as follows:

			Weighted average	
	Options outstanding	Weighted average exercise price	Remaining contractual for life (Years)	Aggregate intrinsic value
				(in thousands)
Balance as of December 31, 2016	3,690,058	$ 2.13	8.4	$ 17,463
Cancelled	(89,687)	$ 3.81		
Granted	688,997	15.96		
Exercised	(173,035)	2.24		
Balance as of December 31, 2017	4,116,333	$ 4.41	7.8	$ 63,577
Exercisable at December 31, 2017	2,225,970	1.64	7.2	$ 40,523
Vested at December 31, 2017 and expected to vest	4,116,333	4.41	7.8	$ 63,577

As of December 31, 2017, there was $10,404 of total unrecognized share-based compensation costs, net of estimated forfeitures, which is expected to be recognized over a weighted-average period of 2.93 years.

In 2016, in connection with preparation of the 2015 financials, the Company reassessed the determination of the fair value of the common shares underlying stock options granted throughout 2015. As a result, the Company determined that the fair value of the common shares was $0.75, $2.40 and $2.73 per share at February 27, 2015, July 15, 2015 and September 7, 2015, respectively, which was higher than the fair value as initially determined by the Board of Directors on the dates of grant. The use of this higher share price increased both recognized and unrecognized share-based compensation expense and also impacted the valuation of the non-employee share-based compensation expense which is marked to market at each reporting date.

In 2017, in connection with the Company's initial public offering and after discussions with their underwriters, the Company reassessed the determination of the fair value of the common shares underlying the 1,099,320 stock options granted throughout 2016, and the 119,997 options granted up through the IPO date of May 16, 2017, and determined that no adjustment was necessary.

Since the IPO, the board of directors has determined the fair value of each common share underlying share-based awards based on the closing price of the common shares as reported by Nasdaq on the date of grant.

9. Net loss per common share

Basic net loss per common share is computed using the weighted average number of common shares outstanding during the period including nominal issuances of common stock warrants. Diluted net loss per common share is computed using the sum of the weighted average number of common shares outstanding during the period and, if dilutive, the weighted average number of potential shares of common stock, including the assumed exercise of stock options, stock warrants and unvested restricted common stock. For the years ended December 31, 2017, 2016 and 2015, the following potentially dilutive securities have been excluded from the computations of diluted weighted-average shares outstanding because the effect would be anti-dilutive:

	Year Ended December 31,		
	2017	2016	2015
Stock options issued and outstanding	3,838,358	3,224,682	1,867,325
Stock warrants	11,385	25,444	25,444
	3,849,743	3,250,126	1,892,769

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

10. Income taxes

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 FASB 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 December 31, 2017 and 2016, 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 December 31, 2017 and 2016, the Company had no such accruals.

The components of income tax expense (benefit) attributable to continuing operations are as follows:

	Year ended December 31, 2017	2016	2015
Current Expense:			
Federal	$ —	$ —	$ —
State	—	—	—
	—	—	—
Deferred Expense:			
Federal	—	—	—
State	—	—	—
	$ —	$ —	$ —

The differences between the company's income tax expense attributable to continuing operation and the expense computed at the 34% U.S. statutory income tax rate were as follows (in thousands):

	Year ended December 31, 2017	2016	2015
Federal income tax expense at statutory rate:	$(20,441)	$(10,299)	$(6,890)
Increase (reduction) in income tax resulting from:			
State Income Taxes	(1,623)	(397)	(335)
Increase in Valuation Allowance	8,977	10,936	6,109
Increase in fair value of Series B purchase option liability	—	—	1,623
Equity Financing Expenses	39	371	—
Stock Compensation	152	200	48
Research and Development Credit	(1,882)	(803)	(509)
Effect on Tax Cuts & Job Acts Rate Reduction	14,770	—	—
Other	8	(8)	(46)
	$ —	$ —	$ —

The tax effects of temporary differences and operating loss carryforwards that gave rise to significant portions of the deferred tax assets and deferred tax liabilities were as follows at December 31, 2017 and 2016 (in thousands):

	Year ended December 31,	
	2017	2016
Deferred tax assets		
Accrued expenses	$ 1,412	$ 751
Deferred rent	20	16
Stock compensation	360	386
Charitable contributions	2	1
Capitalized patents and licenses	1,225	1,474
R&D credits	3,333	1,451
Net operating loss carryforwards	23,556	16,844
Deferred tax assets	29,908	20,923
Deferred tax liabilities		
Property, plant and equipment, primarily due to differences in depreciation	(21)	(13)
Deferred tax liabilities	(21)	(13)
Valuation allowance	(29,887)	(20,910)
Net deferred tax assets	$ —	$ —

At December 31, 2017 and December 31, 2016, the Company evaluated all significant available positive and negative evidence, including the existence of losses in recent years and management's forecast of future taxable income, and, as a result, determined it was more likely than not that federal and state deferred tax assets, including benefits related to net operating loss carryforwards, would not be realized. The valuation allowance was increased from $20,910 at December 31, 2016 to $29,887 at December 31, 2017. The increase in valuation allowance was due primarily to the increase in net operating loss carryforwards and income tax credits offset by the impact of the Tax Cuts and Job Act rate reduction.

The table below summarizes changes in the deferred tax valuation allowance (in thousands):

	2017	2016	2015
Balance at beginning of year	$20,910	$ 9,974	$3,865
Charges to costs and expenses	8,977	10,936	6,109
Write-offs	—	—	—
Balance at end of year	29,887	20,910	9,974

At December 31, 2017, the Company has federal net operating loss carryforwards of approximately $100,795, which are available to offset future taxable income. The federal net operating loss carryforwards begin to expire in 2028. In addition, the Company has state net operating loss carryforwards totaling approximately $100,793, which are available to offset future state taxable income. State net operating losses begin to expire in 2023. Because the Company has incurred cumulative net operating losses since inception, all tax years remain open to examination by U.S. federal and state income tax authorities.

In accordance with FASB 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 December 31, 2017 and 2016, 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 income. As of December 31, 2017 and 2016, the Company had no such accruals.

On December 22, 2017, the Tax Cuts and Jobs Act ("Tax Act") was signed into law. The Tax Act lowered the Federal corporate tax rate from 34% to 21% and made numerous other tax law changes. The Company has measured deferred tax assets at the enacted tax rate expected to apply when these temporary differences are expected to be realized or settled, resulting in a provisional charge of $14.8 million for the revaluation of the Company's deferred tax assets. U.S. GAAP requires companies to recognize the effect of tax law changes in the period of enactment. Reasonable estimates were made based on the Company's analysis of the Tax Act. These provisional amounts may be adjusted during 2018 when additional information is obtained. Additional information that may affect our provisional amounts would include further clarification and guidance on how the Internal Revenue Service will implement the Tax Act, including guidance with respect to guidance on how state taxing authorities will implement tax reform and the related effect on our state income tax returns, completion of our 2017 tax return filings, and the potential for additional guidance from the Financial Accounting Standards Board related to the Tax Act. Under the Tax Act, NOLs arising after December 31, 2017 may be carried forward indefinitely. However, for NOLs arising after December 31, 2017, NOL carryforwards will be limited to 80% of taxable income. The Company's NOLs generated in 2017 and in prior years will not be subject to the limitations under the Tax Act.

Potential 382 Limitation

The Company's ability to utilize its net operating loss (NOL) and research and development (R&D) credit carryforwards may be substantially limited due to ownership changes that may have occurred or that could occur in the future, as required by Section 382 of the Internal Revenue Code of 1986, as amended (the Code), as well as similar state provisions. These ownership changes may limit the amount of NOL and R&D credit carryforwards that can be utilized annually to offset future taxable income and tax, respectively. In general, an "ownership change," as defined by Section 382 of the Code, results from a transaction or series of transactions over a three-year period resulting in an ownership change of more than 50 percent of the outstanding stock of a company by certain stockholders or public groups.

The Company has not completed a study to assess whether one or more ownership changes have occurred since the Company became a loss corporation under the definition of Section 382. If the Company has experienced an ownership change, utilization of the NOL or R&D credit carryforwards would be subject to an annual limitation, which is determined by first multiplying the value of the Company's stock at the time of the ownership change by the applicable long-term, tax-exempt rate, and then could be subject to additional adjustments, as required. Any such limitation may result in the expiration of a portion of the NOL or R&D credit carryforwards before utilization. Until a study is completed and any limitation known, no amounts are being considered as an uncertain tax position or disclosed as an unrecognized tax benefit under ASC-740. Any carryforwards that expire prior to utilization as a result of such limitations will be removed from deferred tax assets with a corresponding reduction of the valuation allowance. Due to the existence of the valuation allowance, it is not expected that any possible limitation will have an impact on the results of operations of the Company.

11. Related party transactions

Two co-founders and shareholders of the Company had consulting agreements with the Company for their continued development work through June 30, 2017. The Company renewed its consulting agreement with one of these founders through June 30, 2019. Combined consulting fees paid to both founders were approximately $64, $108, and $104 for the years ended December 31, 2017, 2016 and 2015, respectively.

The Company paid approximately $11, $14, $20 to the Chairman of the Board of Directors for scientific advisory services outside of his role on the board of directors during the years ended December 31, 2017, 2016 and 2015, respectively.

12. Quarterly Results of Operations (Unaudited)

The following table contains quarterly financial information for 2017 and 2016. The Company believes that the following information reflects all normal recurring adjustments necessary for a fair statement of the information for the periods presented. The operating results for any quarter are not necessarily indicative of results for any future period.

	Three Months Ended (unaudited) (in thousands, except share and per share amounts)			
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Total operating expenses	$ 12,378	$ 15,379	$ 15,929	$ 17,282
Operating loss	(12,378)	(15,379)	(15,929)	(17,282)
Total other income (expense), net	33	185	328	301
Net loss	$ (12,345)	$ (15,194)	$ (15,601)	$ (16,981)
Accretion of redeemable convertible preferred stock	(4,468)	(289)	—	—
Net loss attributable to common stockholders	$ (16,813)	$ (15,483)	$ (15,601)	$ (16,981)
Net loss per share attributable to common stockholders, basic and diluted	$ (11.24)	$ (1.09)	$ (0.55)	$ (0.60)
Weighted average common shares outstanding, basic and diluted	1,496,336	14,208,115	28,318,656	28,362,323

	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
Total operating expenses	$ 5,946	$ 7,429	$ 6,613	$ 10,403
Operating loss	(5,946)	(7,429)	(6,613)	(10,403)
Total other income (expense), net	(8)	50	56	2
Net loss	$ (5,954)	$ (7,379)	$ (6,557)	$ (10,401)
Accretion of redeemable convertible preferred stock	(1,009)	(986)	(1,205)	(1,205)
Net loss attributable to common stockholders	$ (6,963)	$ (8,365)	$ (7,762)	$ (11,606)
Net loss per share attributable to common stockholders, basic and diluted	$ (4.71)	$ (5.63)	$ (5.21)	$ (7.77)
Weighted average common shares outstanding, basic and diluted	1,447,219	1,486,303	1,490,552	1,493,753

13. Subsequent events

In January 2018, the Company signed an amendment to its current lease to secure additional 6,395 square feet of office space in its existing building. The Company expects the space to be available in July 2018.

3,000,000 shares

G1 Therapeutics, Inc.

Common stock

Prospectus

J.P. Morgan **Cowen**

Needham & Company **Wedbush PacGrow**

BTIG

, 2018

Part II

Information not required in prospectus

Item 13. Other expenses of issuance and distribution.

The following table sets forth all costs and expenses, other than underwriting discounts and commissions, paid or payable by the Registrant in connection with the sale of the common stock being registered. All amounts shown are estimates except for the SEC registration fee and the FINRA filing fee:

	Amount paid or to be paid
SEC registration fee	$ 10,364.00
FINRA filing fee	12,987.00
Blue sky qualification fees and expenses	10,000.00
Printing expenses	60,000.00
Legal fees and expenses	200,000,00
Accounting fees and expenses	80,000.00
Transfer agent and registrar fees and expenses	10,000.00
Miscellaneous expenses	10,000.00
Total	$ 393,351.00

Item 14. Indemnification of directors and officers.

Section 145(a) of the Delaware General Corporation Law provides, in general, that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), because he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section 145(b) of the Delaware General Corporation Law provides, in general, that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor because the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made with respect to any claim, issue or matter as to which he or she shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, he or she is fairly and reasonably entitled to indemnity for such expenses that the Court of Chancery or other adjudicating court shall deem proper.

Section 145(g) of the Delaware General Corporation Law provides, in general, that a corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify the person against such liability under Section 145 of the Delaware General Corporation Law.

Our Sixth Amended and Restated Certificate of Incorporation, or the Charter, provides that no director of our company shall be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duty as a director, except for liability (1) for any breach of the director's duty of loyalty to us or our stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) in respect of unlawful dividend payments or stock redemptions or repurchases, or (4) for any transaction from which the director derived an improper personal benefit. In addition, our Charter provides that if the Delaware General Corporation Law is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of our company shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

The Charter further provides that any repeal or modification of such article by our stockholders or amendment to the Delaware General Corporation Law will not adversely affect any right or protection existing at the time of such repeal or modification with respect to any acts or omissions occurring before such repeal or modification of a director serving at the time of such repeal or modification.

Our Amended and Restated By-Laws, or the By-Laws, provide that we will indemnify each of our directors and officers and, in the discretion of our board of directors, certain employees, to the fullest extent permitted by the Delaware General Corporation Law as the same may be amended (except that in the case of amendment, only to the extent that the amendment permits us to provide broader indemnification rights than the Delaware General Corporation Law permitted us to provide prior to such the amendment) against any and all expenses, judgments, penalties, fines and amounts reasonably paid in settlement that are incurred by the director, officer or such employee or on the director's, officer's or employee's behalf in connection with any threatened, pending or completed proceeding or any claim, issue or matter therein, to which he or she is or is threatened to be made a party because he or she is or was serving as a director, officer or employee of our company, or at our request as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of our company and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. Article V, Section 5 of the By-Laws further provides for the advancement of expenses to each of our directors and, in the discretion of the board of directors, to certain officers and employees.

In addition, the By-Laws provide that the right of each of our directors and officers to indemnification and advancement of expenses shall be a contract right and shall not be exclusive of any other right now possessed or hereafter acquired under any statute, provision of the Charter or By-Laws, agreement, vote of stockholders or otherwise. Furthermore, Article V, Section 10 of the By-Laws authorizes us to provide insurance for our directors, officers and employees, against any liability, whether or not we would have the power to indemnify such person against such liability under the Delaware General Corporation Law or the provisions of Article V of the By-Laws.

We have also entered into indemnification agreements with each of our directors and our executive officers. These agreements provide that we will indemnify each of our directors and such officers to the fullest extent permitted by law and the Charter and By-Laws.

We also maintain a general liability insurance policy, which covers certain liabilities of directors and officers of our company arising out of claims based on acts or omissions in their capacities as directors or officers.

In any underwriting agreement we enter into in connection with the sale of common stock being registered hereby, the underwriters will agree to indemnify, under certain conditions, us, our directors, our officers and persons who control us within the meaning of the Securities Act of 1933, as amended, against certain liabilities.

Item 15. Recent sales of unregistered securities.

In the three years preceding the filing of this registration statement, we have issued the following securities that were not registered under the Securities Act of 1933, as amended, or the Securities Act:

In February and December 2015, we issued an aggregate of 7,642,734 shares of our Series B Preferred Stock at a purchase price of $4.3521 per share to 11 investors for aggregate consideration of $33.3 million, which consideration included professional services valued at $12,000.

In December 2015, we issued 48,666 shares of our common stock in connection with a license agreement for aggregate consideration of $181,040. From January 1, 2014 through June 2, 2017, we granted to our employees, directors and consultants options to purchase 951,657 shares of our common stock with an exercise price of $0.30 per share, options to purchase 945,956 shares of our common stock with an exercise price of $0.39 per share, options to purchase 655,462 shares of our common stock with an exercise price of $3.72 per share, options to purchase 1,022,655 shares of our common stock with an exercise price of $4.17 per share, options to purchase 124,997 shares of our common stock with an exercise price of $6.87 per share, and options to purchase 71,665 shares of our common stock with an exercise price of $9.06 per share, all under our 2011 Equity Incentive Plan, as amended. In this same period, we issued 279,144 shares of common stock upon the exercise of stock options by our employees, directors and consultants at per share exercise prices ranging from $0.30 to $0.39 per share.

In April, May and June 2016, we issued an aggregate of 5,609,398 shares of our Series C Preferred Stock at a purchase price of $8.91 per share to 21 investors for aggregate consideration of $50.0 million.

During the period between April 1, 2017 and June 30, 2017, two investors exercised warrants to purchase an aggregate of 40,368 shares of our common stock at a weighted average price of $0.72 per share. We received net proceeds of $1,040 from the exercise of one investor’s warrant; the other investor exercised its warrants on a cashless basis.

No underwriters were used in the foregoing transactions, and no discounts or commissions were paid. All sales or issuances of securities described above were exempt from the registration requirements of the Securities Act in reliance on Section 4(a)(2) of the Securities Act, Rule 701 promulgated under the Securities Act or Regulation D promulgated under the Securities Act, relating to transactions by an issuer not involving a public offering. All of the foregoing securities are deemed restricted securities for purposes of the Securities Act.

Each of the recipients of securities in any transaction exempt from registration either received or had adequate access, through employment, business or other relationships, to information about us. On June 2, 2017, we filed a registration statement on Form S-8 under the Securities Act to register all of the shares of our common stock subject to outstanding options and all shares of our common stock otherwise issuable pursuant to our equity compensation plans.

Item 16. Exhibits and financial statement schedules.

(a) Exhibits.

Exhibit number	Description of exhibit
1.1*	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation of G1 Therapeutics, Inc., dated as of May 22, 2017, filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on May 26, 2017 (File No. 001-38096), and incorporated herein by reference.
3.2	Amended and Restated Bylaws of G1 Therapeutics, Inc., dated as of May 22, 2017, filed as Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on May 26, 2017 (File No. 001-38096), and incorporated herein by reference.
4.1	Specimen Common Stock Certificate, filed as Exhibit 4.1 to the Registrant's Second Amendment to the Registration Statement on Form S-1 filed on May 8, 2017 (File No. 333-217285), and incorporated herein by reference.
4.2	Second Amended and Restated Registration Rights Agreement, dated as of April 27, 2016, by and among the Registrant and the Stockholders listed therein, filed as Exhibit 4.6 to the Registrant's Registration Statement on Form S-1 filed on April 13, 2017 (File No. 333-217285), and incorporated herein by reference.
5.1*	Opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
10.1	Form of Indemnification Agreement, filed as Exhibit 10.1 to the Registrant's Second Amendment to the Registration Statement on Form S-1 filed on May 8, 2017 (File No. 333-217285), and incorporated herein by reference.
10.2+	Sixth Amendment to G1 Therapeutics, Inc. 2011 Equity Incentive Plan, dated as of November 7, 2016, filed as Exhibit 10.2 to the Registrant's Registration Statement on Form S-1 filed on April 13, 2017 (File No. 333-217285), and incorporated herein by reference.
10.3+	2017 Employee, Director and Consultant Equity Incentive Plan, filed as Exhibit 10.3 to the Registrant's Second Amendment to the Registration Statement on Form S-1 filed on May 8, 2017 (File No. 333-217285), and incorporated herein by reference.
10.4+	Third Amendment to Executive Employment Agreement, by and between the Registrant and Mark A. Velleca, M.D., Ph.D., dated May 19, 2014, as amended on February 1, 2015, May 10, 2016 and May 5, 2017, filed as Exhibit 10.4 to the Registrant's Second Amendment to the Registration Statement on Form S-1 filed on May 8, 2017 (File No. 333-217285), and incorporated herein by reference.
10.5+	First Amendment to Employment Agreement, by and between the Registrant and Rajesh K. Malik, M.D., dated July 1, 2014, as amended on May 5, 2017, filed as Exhibit 10.5 to the Registrant's Second Amendment to the Registration Statement on Form S-1 filed on May 8, 2017 (File No. 333-217285), and incorporated herein by reference.
10.6+	First Amendment to Employment Agreement, by and between the Registrant and Gregory J. Mossinghoff, dated February 1, 2015, as amended on May 5, 2017, filed as Exhibit 10.6 to the Registrant's Second Amendment to the Registration Statement on Form S-1 filed on May 8, 2017 (File No. 333-217285), and incorporated herein by reference.
10.7+	Consulting Agreement, by and between the Registrant and Gregory J. Mossinghoff, dated June 3, 2014, filed as Exhibit 10.7 to the Registrant's Registration Statement on Form S-1 filed on April 13, 2017 (File No. 333-217285), and incorporated herein by reference.

Exhibit number	Description of exhibit
10.8+	Director Agreement, by and between the Registrant and Seth A. Rudnick, M.D., dated July 15, 2016, filed as Exhibit 10.8 to the Registrant's Registration Statement on Form S-1 filed on April 13, 2017 (File No. 333-217285), and incorporated herein by reference.
10.9+	Advisory Board Members Agreement, by and between the Registrant and Seth A. Rudnick, M.D., dated July 15, 2016, filed as Exhibit 10.9 to the Registrant's Registration Statement on Form S-1 filed on April 13, 2017 (File No. 333-217285), and incorporated herein by reference.
10.10.1	Second Amendment to Office Lease, by and between the Registrant and Highwoods Realty Limited Partnership as assigned to Raleigh RC Green, LLC, dated January 10, 2014, filed as Exhibit 10.10 to the Registrant's Registration Statement on Form S-1 filed on April 13, 2017 (File No. 333-217285), and incorporated herein by reference.
10.10.2*	Third Amendment to Office Lease, by and between the Registrant and Raleigh RC Green, LLC as successor in interest to Highwoods Realty Limited Partnership, dated January 31, 2018.
10.11#	Exclusive License Agreement, dated November 23, 2016, by and between the Registrant and The Board Of Trustees Of The University Of Illinois, filed as Exhibit 10.11 to the Registrant's Registration Statement on Form S-1 filed on April 13, 2017 (File No. 333-217285), and incorporated herein by reference.
10.12#	Amendment No. 1 to Exclusive License Agreement, dated March 24, 2017, by and between the Registrant and The Board Of Trustees Of The University Of Illinois, filed as Exhibit 10.12 to the Registrant's Registration Statement on Form S-1 filed on April 13, 2017 (File No. 333-217285), and incorporated herein by reference.
10.13+	Non-Employee Director Compensation Policy, filed as Exhibit 10.13 to the Registrant's Second Amendment to the Registration Statement on Form S-1 filed on May 8, 2017 (File No. 333-217285), and incorporated herein by reference.
10.14+	First Amendment to Employment Agreement, by and between the Registrant and Jennifer K. Moses, dated May 10, 2016, as amended on May 5, 2017, filed as Exhibit 10.14 to the Registrant's Second Amendment to the Registration Statement on Form S-1 filed on May 8, 2017 (File No. 333-217285), and incorporated herein by reference.
10.15+	First Amendment to Employment Agreement, by and between the Registrant and Jay C. Strum, Ph.D., dated July 1, 2014, as amended May 5, 2017, filed as Exhibit 10.15 to the Registrant's Second Amendment to the Registration Statement on Form S-1 filed on May 8, 2017 (File No. 333-217285), and incorporated herein by reference.
10.16+	Employment Agreement by and between the Registrant and Terry Murdock, dated as of August 1, 2017, filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 filed on November 8, 2017 (File No. 001-38096), and incorporated herein by reference.
10.17+	Employment Agreement by and between the Registrant and Barclay A. Phillips, dated as of November 13, 2017, filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on November 13, 2017 (File No. 001-38096), and incorporated herein by reference.
10.18+	Non-Qualified Stock Option Agreement by and between the Registrant and Barclay A. Phillips, dated December 6, 2017, filed as Exhibit 10.18 to the Registrant's Current Report on Form 10-K Filed on February 21, 2018 (File No. 001-38096), and incorporated herein by reference.
21.1	Subsidiaries of the Registrant, filed as Exhibit 21.1 to the Registrant's Registration Statement on Form S-1 filed on April 13, 2017 (File No. 333-217285), and incorporated herein by reference.
23.1*	Consent of PricewaterhouseCoopers LLP.

Exhibit number	Description of exhibit
23.2*	Consent of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. (included in Exhibit 5.1).
24.1*	Power of Attorney (included on signature page).
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

\+ Indicates a management contract or compensatory plan.

\# Confidential treatment has been granted for portions of this exhibit. These portions have been omitted and have been filed separately with the U.S. Securities and Exchange Commission.

(b) Financial Statement Schedules.

No financial statement schedules are provided because the information called for is not required or is shown either in the financial statements or notes.

Item 17. Undertakings.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(a) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(b) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Signatures

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this registration statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in Research Triangle Park, North Carolina, on the 5th day of March, 2018.

G1 THERAPEUTICS, INC.
/s/ Mark A. Velleca
Mark A. Velleca, M.D., Ph.D.
President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Mark A. Velleca and Barclay A. Phillips, and each of them, as his or her true and lawful attorneys-in-fact and agents, each with the full power of substitution, for him or her and in his or her name, place or stead, in any and all capacities, to sign any and all amendments to this registration statement (including post-effective amendments), and to sign any registration statement for the same offering covered by this registration statement that is to be effective upon filing pursuant to Rule 462(b) promulgated under the Securities Act, and all post-effective amendments thereto, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement on Form S-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Mark A. Velleca Mark A. Velleca, M.D., Ph.D.	Chief Executive Officer, President and Director *(principal executive officer)*	March 5, 2018
/s/ Barclay A. Phillips Barclay A. Phillips	Chief Financial Officer *(principal financial officer)*	March 5, 2018
/s/ Jennifer K. Moses Jennifer K. Moses	Vice President of Finance and Administration *(principal accounting officer)*	March 5, 2018
/s/ Seth A. Rudnick Seth A. Rudnick, M.D.	Chairman of the Board	March 5, 2018
/s/ Fredric N. Eshelman Fredric N. Eshelman, Pharm.D.	Director	March 5, 2018

Signature	Title	Date
/s/ Glenn P. Muir Glenn P. Muir	Director	March 5, 2018
/s/ Tyrell J. Rivers Tyrell J. Rivers, Ph.D.	Director	March 5, 2018
/s/ Christy L. Shaffer Christy L. Shaffer, Ph.D.	Director	March 5, 2018
/s/ Andrew P. Witty Sir Andrew P. Witty	Director	March 5, 2018

Exhibit 1.1

[*] **Shares**

G1 THERAPEUTICS, INC.

Common Stock

UNDERWRITING AGREEMENT

__________________, 2018

J.P. MORGAN SECURITIES LLC
COWEN AND COMPANY, LLC
As Representatives of the several Underwriters

c/o J.P. Morgan Securities LLC
383 Madison Avenue
4th Floor
New York, New York 10179

c/o Cowen and Company, LLC
599 Lexington Avenue
New York, New York 10022

Dear Mesdames and Sirs:

1. *INTRODUCTORY*. G1 Therapeutics, Inc., a Delaware corporation (the "***Company***") proposes to sell, pursuant to the terms of this Underwriting Agreement (this "***Agreement***"), to the several underwriters named in Schedule A hereto (the "***Underwriters***," or, each, an "***Underwriter***"), an aggregate of [*] shares of its common stock, $0.0001 par value per share (the "***Common Stock***"). The aggregate of [*] shares of Common Stock so proposed to be sold is hereinafter referred to as the "***Firm Stock***". The Company also proposes to sell to the Underwriters, upon the terms and conditions set forth in Section 3 hereof, up to an additional [*] shares of Common Stock (the "***Optional Stock***"). The Firm Stock and the Optional Stock are hereinafter collectively referred to as the "***Stock***". J.P. Morgan Securities LLC ("***J.P. Morgan***") and Cowen and Company, LLC ("***Cowen***") are acting as representatives of the several Underwriters and in such capacity are hereinafter referred to as the "***Representatives***."

2. *REPRESENTATIONS AND WARRANTIES OF THE COMPANY*

(i) REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company represents and warrants to the several Underwriters, as of the date hereof and as of each Closing Date (as defined below), and agrees with the several Underwriters, that:

(A) Registration Statement. A registration statement of the Company on Form S-1 (File No. [*]) (including all pre-effective amendments thereto, the "***Initial Registration Statement***") in respect of the Stock has been filed with the Securities and Exchange Commission (the "***Commission***"). The Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to you, and, excluding exhibits thereto, to you for each of the other Underwriters, have been declared effective by the Commission in such form and meet the requirements of the Securities Act of 1933, as amended (the "***Securities Act***"), and the rules and regulations of the Commission thereunder (the "***Rules and Regulations***"). Other than (i) the Initial Registration Statement, (ii) a registration statement, if any, increasing the size of the offering filed pursuant to Rule 462(b) under the Securities Act and the Rules and Regulations (a "***Rule 462(b) Registration Statement***"), (iii) any Preliminary Prospectus (as defined below), (iv) the Prospectus (as defined below) contemplated by this Agreement to be filed pursuant to Rule 424(b) of the Rules and Regulations in accordance with Section 4(a) hereof and (v) any Issuer Free Writing Prospectus (as defined below), no other document with respect to the offer and sale of the Stock has heretofore been filed with the Commission. No stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose or pursuant to Section 8A of the Securities Act has been initiated or, to the Company's knowledge, threatened by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424 of the Rules and Regulations is hereinafter called a "***Preliminary Prospectus***"). The Initial Registration Statement including all exhibits thereto and including the information contained in the Prospectus filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations and deemed by virtue of Rule 430A under the Securities Act to be part of the Initial Registration Statement at the time it became effective is hereinafter collectively called the "***Registration Statement***." If the Company has filed a Rule 462(b) Registration Statement, then any reference herein to the term "Registration Statement" shall be deemed to include such Rule 462 Registration Statement and any documents incorporated by reference therein. The final prospectus, in the form filed pursuant to and within the time limits described in Rule 424(b) under the Rules and Regulations, is hereinafter called the "***Prospectus***."

(b) <u>General Disclosure Package</u>. As of the Applicable Time (as defined below) and as of the Closing Date or the Option Closing Date (as defined below), as the case may be, neither (i) the General Use Free Writing Prospectus(es) (as defined below) issued at or prior to the Applicable Time, the Pricing Prospectus (as defined below) and the information included on <u>Schedule C</u> hereto, all considered together (collectively, the "***General Disclosure Package***"), (ii) any individual Limited Use Free Writing Prospectus (as defined below), (iii) the bona fide electronic roadshow (as defined in Rule 433(h)(5) of the Rules and Regulations); nor (iv) any individual Written Testing-the-Waters Communication, when considered together with the General Disclosure Package, included or will include any untrue statement of a material fact or omitted or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that the Company makes no representations or warranties as to information contained in or omitted from the Pricing Prospectus or any Issuer Free Writing Prospectus (as defined below), in reliance upon, and in conformity with, written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information the parties hereto agree is limited to the Underwriter's Information (as defined in Section 17). As used in this paragraph (b) and elsewhere in this Agreement:

"***Applicable Time***" means [*] [A/P].M., New York time, on the date of this Agreement or such other time as agreed to by the Company and the Representatives.

"***Pricing Prospectus***" means the Preliminary Prospectus relating to the Stock that is included in the Registration Statement immediately prior to the Applicable Time.

"***Issuer Free Writing Prospectus***" means any "issuer free writing prospectus," as defined in Rule 433 of the Rules and Regulations relating to the Stock in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g) of the Rules and Regulations.

"***General Use Free Writing Prospectus***" means any Issuer Free Writing Prospectus that is identified on Schedule B to this Agreement.

"***Limited Use Free Writing Prospectuses***" means any Issuer Free Writing Prospectus that is not a General Use Free Writing Prospectus.

"***Written Testing-the-Waters Communication***" means any Testing-the-Waters Communication (as defined below) that is a written communication within the meaning of Rule 405 of the Rules and Regulations

(c) No Stop Orders; No Material Misstatements. No order preventing or suspending the use of any Preliminary Prospectus, any Issuer Free Writing Prospectus or the Prospectus relating to the proposed offering of the Stock has been issued by the Commission, and no proceeding for that purpose or pursuant to Section 8A of the Securities Act has been instituted or, to the Company's knowledge, threatened by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Securities Act and the Rules and Regulations, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that the Company makes no representations or warranties as to information contained in or omitted from any Preliminary Prospectus, in reliance upon, and in conformity with, written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information the parties hereto agree is limited to the Underwriter's Information.

(d) Registration Statement and Prospectus Contents. At the respective times the Registration Statement and any amendments thereto became or become effective as to the Underwriters and at each Closing Date, the Registration Statement and any amendments thereto conformed and will conform in all material respects to the requirements of the Securities Act and the Rules and Regulations and did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and the Prospectus and any amendments or supplements thereto, at the time the Prospectus or any amendment or supplement thereto was issued and at each Closing Date, conformed and will conform in all material respects to the requirements of the Securities Act and the Rules and Regulations and did not and will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided*, *however*, that the foregoing representations and warranties in this paragraph (d) shall not apply to information contained in or omitted from the Registration Statement or the Prospectus, or any amendment or supplement thereto, in reliance upon, and in conformity with, written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information the parties hereto agree is limited to the Underwriter's Information.

(e) Issuer Free Writing Prospectus. Each Issuer Free Writing Prospectus, as of its issue date and at all subsequent times through the completion of the public offer and sale of the Stock or until any earlier date that the Company notified or notifies the Representatives as described in Section 4(f), did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement, Pricing Prospectus or the

Prospectus, that has not been superseded or modified, or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading *provided*, *however*, that the foregoing representations and warranties in this paragraph (e) shall not apply to information contained in or omitted from the Registration Statement or the Prospectus, or any amendment or supplement thereto, in reliance upon, and in conformity with, written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information the parties hereto agree is limited to the Underwriter's Information.

(f) Distribution of Offering Materials. The Company has not, directly or indirectly, distributed and will not distribute any offering material in connection with the offering and sale of the Stock other than any Preliminary Prospectus, the Prospectus and other materials, if any, permitted under the Securities Act and consistent with Section 4(c) below. The Company will file with the Commission all Issuer Free Writing Prospectuses (other than a "road show" as described in Rule 433(d)(8) of the Rules and Regulations) in the time and manner required under Rules 163(b)(2) and 433(d) of the Rules and Regulations.

(g) Emerging Growth Company. From the time of the initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any person authorized to act on its behalf in any Testing-the-Waters Communications) through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the Securities Act (an "***Emerging Growth Company***"). "***Testing-the-Waters Communication***" means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Securities Act.

(h) Not an Ineligible Issuer. At the time of filing the Initial Registration Statement, any Rule 462(b) Registration Statement and any post-effective amendments thereto, and at the date hereof, the Company was not, and the Company currently is not, an "ineligible issuer," as defined in Rule 405 of the Rules and Regulations.

(i) Testing the Waters Communications. The Company (a) has not alone engaged in any Testing-the-Waters Communication, other than Testing-the-Waters Communications with the consent of the Representatives with entities that are qualified institutional buyers within the meaning of Rule 144A under the Securities Act or institutions that are accredited investors within the meaning of Rule 501 under the Securities Act and (b) has not authorized anyone other than the Representatives to engage in Testing-the-Waters Communications. The Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Testing-the-Waters Communications. The Company has not distributed any Written Testing-the-Waters Communications other than those listed on Schedule E hereto.

(j) Organization and Good Standing. The Company has been duly organized and validly exists as a corporation in good standing under the laws of the State of Delaware. The Company is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which its ownership or lease of property or the conduct of its businesses requires such qualification and has all power and authority (corporate or other) necessary to own or hold its respective properties and to conduct the businesses in which it is engaged, except where the failure to so qualify or have such power or authority would not (i) have, singularly or in the aggregate, a material adverse effect on the business, properties, management, financial position, stockholders' equity, results of operations or prospects of the Company taken as a whole, or (ii) impair in any material respect the ability of the Company to perform its obligations under this Agreement or to consummate any transactions contemplated by this Agreement, the General Disclosure Package or the Prospectus (any such effect as described in clauses (i) or (ii), a "***Material Adverse Effect***"). The Company has no subsidiaries (as defined in Section 15).

(k) Underwriting Agreement. This Agreement has been duly authorized, executed and delivered by the Company.

(l) The Stock. The Stock to be issued and sold by the Company to the Underwriters hereunder has been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued, fully paid and non-assessable and will conform to the descriptions thereof in the Registration Statement, the General Disclosure Package and the Prospectus; and the issuance of the Stock is not subject to any preemptive or similar rights.

(m) Capitalization. The Company has an authorized capitalization as set forth under the heading “Capitalization” in the Pricing Prospectus, and all of the issued shares of capital stock of the Company, have been duly and validly authorized and issued, are fully paid and non-assessable, have been issued in compliance with federal and state securities laws, and conform in all material respects to the description thereof contained in the General Disclosure Package and the Prospectus. All of the Company’s options, warrants and other rights to purchase or exchange any securities for shares of the Company’s capital stock have been duly authorized and validly issued and were issued in compliance with federal and state securities laws. None of the outstanding shares of Common Stock was issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company other than those that were waived or satisfied. As of the date set forth in the General Disclosure Package, there were no authorized or outstanding shares of capital stock, options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any capital stock of the Company other than those described above or accurately described in the General Disclosure Package. Since such date, the Company has not issued any securities other than Common Stock issued pursuant to the exercise of warrants or upon the exercise of stock options or other awards outstanding under the Company’s stock option plans, options or other securities granted or issued pursuant to the Company’s existing equity compensation plans or other plans, and the issuance of Common Stock pursuant to employee stock purchase plans. The description of the Company’s stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted thereunder, as described in the General Disclosure Package and the Prospectus, accurately and fairly present in all material respects the information required to be shown with respect to such plans, arrangements, options and rights.

(n) No Conflicts. The execution, delivery and performance of this Agreement by the Company, the issue and sale of the Common Stock by the Company and the consummation of the transactions contemplated hereby will not (with or without notice or lapse of time or both) (i) conflict with or result in a breach or violation of any of the terms or provisions of, constitute a default or a Debt Repayment Triggering Event (as defined below) under, or result in the creation or imposition of any lien, encumbrance, security interest, claim or charge upon any property or assets of the Company pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company is a party or by which the Company is bound or to which any of the property or assets of the Company is subject, (ii) result in any violation of the provisions of the charter or by-laws (or analogous governing instruments, as applicable) of the Company or (iii) result in the violation of any law, statute, rule, regulation, judgment, order or decree of any court or governmental or regulatory agency or body, domestic or foreign, having jurisdiction over the Company or any of its properties or assets except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation or default that would not, individually or in the aggregate, have a Material Adverse Effect. A “***Debt Repayment***

Triggering Event" means any event or condition that gives, or with the giving of notice or lapse of time would give the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company.

(o) No Consents Required. Except for the registration of the Stock under the Securities Act, the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), and applicable state securities laws, and such consents, approvals, authorizations, orders and registrations or qualifications as may be required by the Financial Industry Regulatory Authority ("***FINRA***") and the Nasdaq Global Select Market in connection with the purchase and distribution of the Stock by the Underwriters and the listing of the Stock on the Nasdaq Global Select Market no consent, approval, authorization or order of, or filing, qualification or registration (each an "***Authorization***") with, any court, governmental or regulatory agency or body, foreign or domestic, which has not been made, obtained or taken and is not in full force and effect, is required for the execution, delivery and performance of this Agreement by the Company, the issuance and sale of the Stock or the consummation of the transactions contemplated hereby; and no event has occurred that allows or results in, or after notice or lapse of time or both would allow or result in, revocation, suspension, termination or invalidation of any such Authorization or any other impairment of the rights of the holder or maker of any such Authorization.

(p) Independent Auditors. PricewaterhouseCoopers LLP, who have certified certain financial statements and related schedules of the Company included in the Registration Statement, the General Disclosure Package and the Prospectus, is an independent registered public accounting firm with respect to the Company within the meaning of Article 2-01 of Regulation S-X and the Public Company Accounting Oversight Board (United States) (the "***PCAOB***").

(q) Financial Statements. The financial statements, together with the related notes and schedules, included in the General Disclosure Package, the Prospectus and in the Registration Statement fairly present in all material respects the financial position and the results of operations and changes in financial position of the Company at the respective dates or for the respective periods therein specified. Such statements and related notes and schedules have been prepared in accordance with the generally accepted accounting principles in the United States ("***GAAP***") applied on a consistent basis throughout the periods involved except as may be set forth in the related notes included in the General Disclosure Package. The financial statements, together with the related notes and schedules, included in the General Disclosure Package and the Prospectus comply in all material respects with Regulation S-X. No other financial statements or supporting schedules or exhibits are required by Regulation S-X to be described, or included in the Registration Statement, the General Disclosure Package or the Prospectus. There is no pro forma or as adjusted financial information which is required to be included in the Registration Statement, the General Disclosure Package or the Prospectus in accordance with Regulation S-X which has not been included as so required. The summary and selected financial data included in the General Disclosure Package, the Prospectus and the Registration Statement fairly present the information shown therein as at the respective dates and for the respective periods specified and are derived from the consolidated financial statements set forth in the Registration Statement, the Pricing Prospectus and the Prospectus and other financial information. Any information contained in the Registration Statement, the General Disclosure Package and the Prospectus regarding "non-GAAP financial measures" (as defined in Regulation G) complies with Regulation G and Item 10 of Regulations S-K, to the extent applicable.

(r) No Material Adverse Change. The Company has not sustained, since the date of the latest audited financial statements included in the General Disclosure Package, (i) any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or action, order or decree of any court or governmental or regulatory authority, otherwise than as set forth or contemplated in the General Disclosure Package; (ii) any change in the capital stock (other than the issuance of shares of Common Stock upon exercise of stock options and warrants described as outstanding in, and the grant of options and awards under existing equity incentive plans described in, the Registration statement, the General Disclosure Package and the Prospectus) or long-term debt of the Company or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company on any class of capital stock, or any material adverse changes, or any development involving a prospective material adverse change, in or affecting the business, properties, assets, general affairs, management, financial position, prospects, stockholders' equity or results of operations of the Company taken as a whole, otherwise than as set forth or contemplated in the General Disclosure Package (any such change as described in clauses (i) or (ii), a "***Material Adverse Change***").

(s) Legal Proceedings. Except as set forth in the General Disclosure Package, there is no legal or governmental proceeding to which the Company is a party or of which any property or assets of the Company is the subject, including any proceeding before the United States Food and Drug Administration of the U.S. Department of Health and Human Services ("***FDA***") or comparable federal, state, local or foreign governmental bodies (it being understood that the interaction between the Company and the FDA and such comparable governmental bodies relating to the clinical development and product approval process shall not be deemed proceedings for purposes of this representation), which is required to be described in the Registration Statement, the General Disclosure Package or the Prospectus and is not described therein, or which, singularly or in the aggregate, if determined adversely to the Company, could reasonably be expected to have a Material Adverse Effect; and, to the Company's knowledge, no such proceedings are threatened or contemplated by governmental or regulatory authorities or threatened by others. The Company is in compliance with all applicable federal, state, local and foreign laws, regulations, orders and decrees governing its business as prescribed by the FDA, or any other federal, state or foreign agencies or bodies engaged in the regulation of pharmaceuticals or biohazardous substances or materials, except where noncompliance would not, singly or in the aggregate, have a Material Adverse Effect. All preclinical and clinical studies conducted by or on behalf of the Company to support approval for commercialization of the Company's products have been conducted by the Company, or to the Company's knowledge by third parties, in compliance with all applicable federal, state or foreign laws, rules, orders and regulations, except for such failure or failures to be in compliance as would not reasonably be expected to have, singly or in the aggregate, a Material Adverse Effect.

(t) No Violation or Default. The Company is (i) not in violation of its charter or by-laws (or analogous governing instrument, as applicable), (ii) not in default in any respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it is bound or to which any of its property or assets is subject, including, without limitation, those administered by the FDA or by any foreign, federal, state or local governmental or regulatory authority performing functions similar to those performed by the FDA) or (iii) not in violation in any respect of any law, ordinance, governmental rule, regulation or court order, decree or judgment to which it or its property or assets may be subject except, in the case of clauses (ii) and (iii) above, for any such violation or default that would not, singularly or in the aggregate, have a Material Adverse Effect.

(u) Licenses or Permits. The Company possesses all licenses, certificates, authorizations and permits issued by, and have made all declarations and filings with, the appropriate local, state, federal or foreign governmental or regulatory agencies or bodies including, without limitation, those administered by the FDA or by any foreign, federal, state or local governmental or regulatory authority performing functions similar to those performed by the FDA) that are necessary for the ownership or lease of its properties or the conduct of its business as described in the General Disclosure Package and the Prospectus (collectively, the "***Governmental Permits***") except where any failures to possess or make the same would not, singularly or in the aggregate, have a Material Adverse Effect. The Company is in compliance with all such Governmental Permits; all such Governmental Permits are valid and in full force and effect, except where the validity or failure to be in full force and effect would not, singularly or in the aggregate, have a Material Adverse Effect. All such Governmental Permits are free and clear of any restriction or condition that are in addition to, or materially different from those normally applicable to similar licenses, certificates, authorizations and permits. The Company has not received notification of any revocation, modification, suspension, termination or invalidation (or proceedings related thereto) of any such Governmental Permit and no event has occurred that allows or results in, or after notice or lapse of time or both would allow or result in, revocation, modification, suspension, termination or invalidation (or proceedings related thereto) of any such Governmental Permit and the Company has no reason to believe that any such Governmental Permit will not be renewed.

(v) Regulatory Matters. The studies, tests and preclinical or clinical trials conducted by or on behalf of the Company that are described in the General Disclosure Package and the Prospectus (the "***Company Studies and Trials***") were and, if still pending, are being, conducted in all material respects in accordance with experimental protocols, procedures and controls pursuant to, where applicable, accepted professional scientific standards; the descriptions of the results of the Company Studies and Trials contained in the General Disclosure Package and Prospectus are accurate in all material respects; the Company has no knowledge of any other studies or trials not described in the General Disclosure Package and the Prospectus, the results of which are inconsistent with or call in question the results described or referred to in the General Disclosure Package and the Prospectus; and the Company has not received any notices or correspondence with the FDA or any foreign, state or local governmental body exercising comparable authority requiring the termination, suspension or material modification of any Company Studies or Trials that termination, suspension or material modification would reasonably be expected to have a Material Adverse Effect and, to the Company's knowledge, there are no reasonable grounds for the same. The Company has obtained (or caused to be obtained) informed consent by or on behalf of each human subject who participated in the Company Studies and Trials. In using or disclosing patient information received by the Company in connection with the Company Studies and Trials, the Company has complied in all material respects with all applicable laws and regulatory rules or requirements, including, without limitation, the Health Insurance Portability and Accountability Act of 1996 and the rules and regulations thereunder. To the Company's knowledge, none of the Company Studies and Trials involved any investigator who has been disqualified as a clinical investigator or has been found by the FDA to have engaged in scientific misconduct. To the Company's knowledge, the manufacturing facilities and operations of its suppliers are operated in compliance in all material respects with all applicable statutes, rules, regulations and policies of the FDA and comparable regulatory agencies outside of the United States to which the Company is subject.

(w) Investment Company Act. The Company is not, nor, after giving effect to the offering of the Stock and the application of the proceeds thereof as described in the General Disclosure Package and the Prospectus, will become or be required to register as an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder.

(x) <u>No Stabilization</u>. Neither the Company nor, to the Company's knowledge, any of its officers, directors or affiliates has taken or will take, directly or indirectly, any action designed or intended to stabilize or manipulate the price of any security of the Company, or which caused or resulted in, or which might in the future reasonably be expected to cause or result in, stabilization or manipulation of the price of any security of the Company.

(y) <u>Intellectual Property</u>. The Company owns or possesses the valid right to use all (i) valid and enforceable patents, patent applications, trademarks, trademark registrations, service marks, service mark registrations, Internet domain name registrations, copyrights, copyright registrations, licenses, trade secret rights ("***Intellectual Property Rights***") and (ii) inventions, software, works of authorships, trademarks, service marks, trade names, databases, formulae, know how, Internet domain names and other intellectual property (including trade secrets and other unpatented and/or unpatentable proprietary confidential information, systems, or procedures) (collectively, "***Intellectual Property Assets***") necessary to conduct its business as currently conducted, and as proposed to be conducted and described in the General Disclosure Package and the Prospectus. The Company has not received any opinion from its legal counsel concluding that any activities of its business infringe, misappropriate, or otherwise violate, valid and enforceable Intellectual Property Rights of any other person, and has not received written notice of any challenge, which is to the Company's knowledge still pending, by any other person to the rights of the Company with respect to any Intellectual Property Rights or Intellectual Property Assets owned or used by the Company. To the Company's knowledge, the Company's business as now conducted does not give rise to any infringement of, any misappropriation of, or other violation of, any valid and enforceable Intellectual Property Rights of any other person. All licenses for the use of the Intellectual Property Rights described in the General Disclosure Package and the Prospectus are valid, binding upon, and enforceable in all material respects by or against the parties thereto in accordance to its terms. The Company has complied in all material respects with, and is not in breach nor has received any asserted or threatened claim of breach of any Intellectual Property license, and the Company has no knowledge of any breach or anticipated breach by any other person to any Intellectual Property license. Except as described in the General Disclosure Package, no claim has been made against the Company alleging the infringement by the Company of any patent, trademark, service mark, trade name, copyright, trade secret, license in or other intellectual property right or franchise right of any person. The Company has taken all reasonable steps to protect, maintain and safeguard its Intellectual Property Rights, including the execution of appropriate nondisclosure and confidentiality agreements. The consummation of the transactions contemplated by this Agreement will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other person in respect of, the Company's right to own, use, or hold for use any of the Intellectual Property Rights as owned, used or held for use in the conduct of the business as currently conducted. With respect to the use of the software in the Company's business as it is currently conducted, the Company has not experienced any material defects in such software including any material error or omission in the processing of any transactions other than defects which have been corrected, and to the Company's knowledge, no such software contains any device or feature designed to disrupt, disable, or otherwise impair the functioning of any software or is subject to the terms of any "open source" or other similar license that provides for the source code of the software to be publicly distributed or dedicated to the public. The Company has at all times complied in all material respects with all applicable laws relating to privacy, data protection, and the collection and use of personal information collected, used, or held for use by the Company in the conduct of the Company's business. No claims have been asserted or threatened against the Company alleging a violation of any person's privacy or personal information or data rights and the consummation of the transactions contemplated hereby will not breach or otherwise cause any violation of any law related to privacy, data protection, or the collection and use of personal information collected, used, or held for use by the Company in the conduct of the Company's business. The Company takes reasonable measures to ensure that such information is protected against unauthorized access, use, modification, or other misuse.

(z) Title to Real and Personal Property. The Company has good and marketable title in fee simple (in the case of real property) to, or has valid and marketable rights to lease or otherwise use, all items of real or personal property which are material to the business of the Company taken as a whole, in each case free and clear of all liens, encumbrances, security interests, claims and defects that (i) do not, singularly or in the aggregate, materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company or (ii) would not reasonably be expected, singularly or in the aggregate, to have a Material Adverse Effect. All of the leases and subleases material to the business of the Company, and under which the Company holds properties described in the General Disclosure Package and the Prospectus, are in full force and effect, and the Company does not have any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company to the continued possession of the leased or subleased premises under any such lease or sublease.

(aa) No Labor Dispute. There is (A) no significant unfair labor practice complaint pending against the Company, nor to the Company's knowledge, threatened against it, before the National Labor Relations Board, any state or local labor relation board or any foreign labor relations board, and no significant grievance or significant arbitration proceeding arising out of or under any collective bargaining agreement is so pending against the Company, or, to the Company's knowledge, threatened against it and (B) no labor disturbance by or dispute with, employees of the Company exists or, to the Company's knowledge, is imminent, contemplated or threatened, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or its principal suppliers, manufacturers, customers or contractors, that would reasonably be expected, singularly or in the aggregate, to have a Material Adverse Effect. The Company is not aware that any key employee or significant group of employees of the Company plans to terminate employment with the Company.

(bb) Compliance with ERISA. No "prohibited transaction" (as defined in Section 406 of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("***ERISA***"), or Section 4975 of the Internal Revenue Code of 1986, as amended from time to time (the "***Code***")) or "accumulated funding deficiency" (as defined in Section 302 of ERISA) or any of the events set forth in Section 4043(b) of ERISA (other than events with respect to which the thirty (30)-day notice requirement under Section 4043 of ERISA has been waived) has occurred or could reasonably be expected to occur with respect to any employee benefit plan of the Company which would, singularly or in the aggregate, have a Material Adverse Effect. Each employee benefit plan of the Company is in compliance in all material respects with applicable law, including ERISA and the Code. The Company has not incurred and could not reasonably be expected to incur liability under Title IV of ERISA with respect to the termination of, or withdrawal from, any pension plan (as defined in ERISA). Each pension plan for which the Company would have any liability that is intended to be qualified under Section 401(a) of the Code is so qualified, and nothing, to the Company's knowledge, has occurred, whether by action or by failure to act, which could, singularly or in the aggregate, cause the loss of such qualification.

(cc) Environmental Laws and Hazardous Materials. The Company is in compliance in all material respects with all foreign, federal, state and local rules, laws and regulations relating to the use, treatment, storage and disposal of hazardous or toxic substances or waste and protection of health and safety or the environment which are applicable to its business ("***Environmental Laws***"). There has been no storage, generation, transportation, handling, treatment, disposal, discharge, emission, or other release of any kind of toxic or other wastes or other hazardous substances by, due to, or caused by the Company (or, to the Company's knowledge, any other entity for whose acts or omissions the Company is or may otherwise be liable) upon any of the property now or previously owned or leased by the Company, or upon any other property, in violation of any law, statute, ordinance, rule, regulation, order, judgment, decree or permit or which would, under any law, statute, ordinance, rule (including rule of common law), regulation, order, judgment, decree or permit, give rise to any liability; and there has been no disposal, discharge, emission or other release of any kind onto such property or into the environment surrounding such property of any toxic or other wastes or other hazardous substances with respect to which the Company has knowledge.

(dd) Taxes. The Company (i) has timely filed all necessary federal, state, local and foreign tax returns (or timely filed extensions with respect to such returns), and all such returns were true, complete and correct, (ii) has paid all federal, state, local and foreign taxes, for which it is liable, including, without limitation, all sales and use taxes and all taxes which the Company is obligated to withhold from amounts owing to employees, creditors and third parties, and (iii) does not have any tax deficiency or claims outstanding or assessed or, to its knowledge, proposed against any of them, except those, in each of the cases described in clauses (i), (ii) and (iii) above, that would not, singularly or in the aggregate, have a Material Adverse Effect. The Company has not engaged in any transaction which is a corporate tax shelter or which could be characterized as such by the Internal Revenue Service or any other taxing authority. The accruals and reserves on the books and records of the Company in respect of tax liabilities for any taxable period not yet finally determined are adequate to meet any assessments and related liabilities for any such period, and since December 31, 2016, the Company has not incurred any liability for taxes other than in the ordinary course.

(ee) Insurance. The Company carries, or is covered by, insurance in such amounts and covering such risks as the Company reasonably believes is adequate for the conduct of its business and the value of its properties. The Company does not have any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect. The Company has not received written notice from any insurer, agent of such insurer or the broker of the Company that any material capital improvements or any other material expenditures (other than premium payments) are required or necessary to be made in order to continue such insurance.

(ff) Accounting Controls. The Company maintains a system of "internal control over financial reporting" (as such term is defined in Rule 13a-15(f) of the General Rules and Regulations under the Exchange Act (the "***Exchange Act Rules***")) that complies with the requirements of the Exchange Act and has been designed by the Company's principal executive officer and principal financial officer, or under their supervision, to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company's internal control over financial reporting is effective. Except as described in the General Disclosure Package, since the end of the Company's most recent audited fiscal year, there has been (A) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (B) no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. The Company's internal control over financial reporting is, or upon consummation of the offering of the Stock will be, overseen by the Audit Committee of the Board of Directors of the Company (the "***Audit Committee***") in accordance with the Exchange Act Rules. The Company has not publicly disclosed or reported to the Audit Committee or to the Board, and within the next 90 days the Company does not reasonably expect to publicly disclose or report to the Audit Committee or the Board, a significant deficiency, material weakness, change in internal control over financial reporting or fraud involving management or other employees who have a significant role in the internal control over financial reporting (each an "***Internal Control Event***"), any violation of, or failure to comply with, the U.S. Securities Laws, or any matter which if determined adversely, would have a Material Adverse Effect.

(gg) Disclosure Controls. The Company maintains disclosure controls and procedures (as such is defined in Rule 13a-15(e) of the Exchange Act Rules) that comply with the requirements of the Exchange Act; such disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company's management to allow timely decisions regarding disclosures. The Company has conducted evaluations of the effectiveness of its disclosure controls as required by Rule 13a-15 of the Exchange Act.

(hh) Minute Books. The minute books of the Company have been made available to the Underwriters and counsel for the Underwriters, and such books (i) contain a complete summary in all material respects of all meetings and actions of the board of directors (including each board committee) and stockholders of the Company (or analogous governing bodies and interest holders, as applicable), since the time of its incorporation or organization through the date of the latest meeting and action, and (ii) accurately in all material respects reflect all transactions referred to in such minutes.

(ii) No Undisclosed Relationships. No relationship, direct or indirect, exists between or among the Company on the one hand, and the directors, officers, stockholders (or analogous interest holders), customers or suppliers of the Company or any of its affiliates on the other hand, which is required to be described in the General Disclosure Package and the Prospectus and which is not so described.

(jj) No Registration Rights. No person or entity has the right to require registration of shares of Common Stock or other securities of the Company because of the filing or effectiveness of the Registration Statement or otherwise, except for persons and entities who have expressly waived such right in writing or who have been given timely and proper written notice and have failed to exercise such right within the time or times required under the terms and conditions of such right. Except as described in the General Disclosure Package, there are no persons with registration rights or similar rights to have any securities registered by the Company under the Securities Act.

(kk) Margin Rules. The application of the proceeds received by the Company from the issuance, sale and delivery of the Stock as described in the General Disclosure Package and the Prospectus will not violate Regulation T, U or X of the Board of Governors of the Federal Reserve system or any other regulation of such Board of Governors.

(ll) No Broker's Fees. The Company is not a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against the Company or the Underwriters for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Stock or any transaction contemplated by this Agreement, the Registration Statement, the General Disclosure Package or the Prospectus.

(mm) Options. The exercise price of each option issued under the Company's stock option or other employee benefit plans has been no less than the fair market value of a share of Common Stock as determined on the date of grant of such option. All grants of options were validly issued and properly approved by the Board of Directors of the Company (or a duly authorized committee thereof) in material compliance with all applicable laws and regulations and recorded in the Company's financial statements in accordance with GAAP and, to the Company's knowledge, no such grants involved "back dating," "forward dating" or similar practice with respect to the effective date of grant.

(nn) Forward-Looking Statements. No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in either the General Disclosure Package or the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(oo) Listing. The Stock has been approved for listing subject to notice of issuance on the Nasdaq Global Market (the "***Exchange***"). A registration statement has been filed on Form 8-A pursuant to Section 12 of the Exchange Act, which registration statement complies in all material respects with the Exchange Act.

(pp) Sarbanes-Oxley Act. There is and has been no failure on the part of the Company or, to the Company's knowledge, any of the Company's officers or directors, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith (the "***Sarbanes-Oxley Act***"), including Section 402 related to loans and Sections 302 and 906 related to certifications.

(qq) No Unlawful Payments. Neither the Company, nor, to the Company's knowledge, any director, officer or employee thereof, nor, to the Company's knowledge, any agent, affiliate or representative of the Company, has (i) used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns from corporate funds, (iii) violated any provision of the Foreign Corrupt Practices Act of 1977, as amended, and all similar laws, rules, and regulations of any jurisdiction applicable to the Company from time to time concerning or relating to bribery or corruption or (iv) made any other unlawful payment.

(rr) Statistical and Market Data. The statistical and market related data included in the Registration Statement, the General Disclosure Package and the Prospectus are based on or derived from sources that the Company believes to be reliable and accurate and such data agree with the sources from which they are derived.

(ss) Compliance with Money Laundering Laws. The operations of the Company have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements, including those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable anti-money laundering statutes of jurisdictions where the Company conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "***Anti-Money Laundering Laws***"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company with respect to the Anti-Money Laundering Laws is pending or, to the Company's knowledge, threatened.

(tt) Compliance with OFAC.

(A) Neither the Company, nor, to the Company's knowledge, any director, officer or employee thereof, nor, to the Company's knowledge, any agent, affiliate or representative of the Company, is an individual or entity ("***Person***") that is, or is owned or controlled by a Person that is: (i) the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control ("***OFAC***"), the United Nations Security Council ("***UNSC***"), the European Union ("***EU***"), Her Majesty's Treasury ("***HMT***"), or other relevant sanctions authority (collectively, "***Sanctions***"), nor (ii) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Cuba, Iran, North Korea, Sudan and Syria).

(B) The Company will not, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person: (i) to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise).

(C) For the past five (5) years, the Company has not knowingly engaged in, are not now knowingly engaged in, and will not engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

(uu) No Associated Persons; FINRA Matters. Neither the Company nor any of its affiliates (within the meaning of FINRA Rule 5121(f)(1)) directly or indirectly controls, is controlled by, or is under common control with, or is an associated person (within the meaning of Article I, Section 1(ee) of the By-laws of FINRA) of, any of the Underwriters.

Any certificate signed by or on behalf of the Company and delivered to the Representatives or to counsel for the Underwriters shall be deemed to be a representation and warranty by the Company to each Underwriter as to the matters covered thereby.

(vv) Corporate Credit Rating. There are no debt securities or preferred stock of, or guaranteed by, the Company that are rated by a "nationally recognized statistical rating organization," as such term is defined by the Commission for purposes of Rule 436(g)(2) of the Rules and Regulations.

3. *Purchase, Sale and Delivery of Offered Securities*. On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to the Underwriters, and the Underwriters agree, severally and not jointly, to purchase from the Company the respective numbers of shares of Firm Stock set forth opposite the names of the Underwriters in Schedule A hereto.

The purchase price per share to be paid by the Underwriters to the Company for the Stock will be $[*] per share (the "***Purchase Price***").

The Company will deliver the Firm Stock to the Representatives for the respective accounts of the several Underwriters, through the facilities of The Depository Trust Company issued in such names and in such denominations as the Representatives may direct by notice in writing to the Company given at or prior to 12:00 Noon, New York time, on the second (2nd) full business day preceding the Closing Date against payment of the aggregate Purchase Price therefor by wire transfer in federal (same day) funds to an account at a bank specified by the Company payable to the order of the Company for the Firm Stock sold by them all at the offices of Goodwin Procter LLP, 620 Eighth Avenue, New York, NY 10018. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligations of each Underwriter hereunder. The time and date of the delivery and closing shall be at [10:00] A.M., New York time, on [*], 2018, in accordance with Rule 15c6-1 of the Exchange Act. The time and date of such payment and delivery are herein referred to as the "***Closing Date***". The Closing Date and the location of delivery of, and the form of payment for, the Firm Stock may be varied by agreement between the Company and the Representatives.

For the purpose of covering any over-allotments in connection with the distribution and sale of the Firm Stock as contemplated by the Prospectus, the Underwriters may purchase all or less than all of the Optional Stock. The price per share to be paid for the Optional Stock shall be the Purchase Price. The Company agrees to sell to the Underwriters the number of shares of Optional Stock specified in the written notice delivered by the Representatives to the Company described below and the Underwriters agree, severally and not jointly, to purchase such shares of Optional Stock. Such shares of Optional Stock shall be purchased from the Company for the account of each Underwriter in the same proportion as the number of shares of Firm Stock set forth opposite such Underwriters's name on Schedule A bears to the total number of shares of Firm Stock (subject to adjustment by the Representatives to eliminate fractions). The option granted hereby may be exercised as to all or any part of the Optional Stock at any time, and from time to time, not more than thirty (30) days subsequent to the date of this Agreement. No Optional Stock shall be sold and delivered unless the Firm Stock previously has been, or simultaneously is, sold and delivered. The right to purchase the Optional Stock or any portion thereof may be surrendered and terminated at any time upon notice by the Representatives to the Company.

The option granted hereby may be exercised by written notice being given to the Company by Representatives setting forth the number of shares of the Optional Stock to be purchased by the Underwriters and the date and time for delivery of and payment for the Optional Stock. Each date and time for delivery of and payment for the Optional Stock (which may be the Closing Date, but not earlier) is herein called the "***Option Closing Date***" and shall in no event be earlier than two (2) business days nor later than five (5) business days after written notice is given. The Option Closing Date and the Closing Date are herein called the "***Closing Dates***."

The Company will deliver the Optional Stock to the Representatives for the respective accounts of the several Underwriters through the facilities of The Depository Trust Company issued in such names and in such denominations as the Representatives may direct by notice in writing to the Company given at or prior to 12:00 Noon, New York time, on the second (2nd) full business day preceding the Option Closing Date against payment of the aggregate Purchase Price therefor by wire transfer in federal (same day) funds to an account at a bank acceptable to the Representatives payable to the order of the Company all at the offices of Goodwin Procter LLP, 620 Eighth Avenue, New York, NY 10018. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligations of each Underwriter hereunder. The Option Closing Date and the location of delivery of, and the form of payment for, the Optional Stock may be varied by agreement among the Company and the Representatives.

The several Underwriters propose to offer the Stock for sale upon the terms and conditions set forth in the Prospectus.

4. *FURTHER AGREEMENTS OF THE COMPANY*

The Company agrees with the several Underwriters:

(a) Required Filings; Amendments or Supplements; Notice to the Representative. To prepare the Rule 462(b) Registration Statement, if necessary, in a form approved by the Representatives and file such Rule 462(b) Registration Statement with the Commission by 10:00 P.M., New York time, on the date hereof, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Rules and Regulations; to prepare the Prospectus in a form approved by the Representatives containing information previously omitted at the time of effectiveness of the Registration Statement in reliance on Rules 430A of the Rules and Regulations and to file such Prospectus pursuant to Rule 424(b) of the Rules and Regulations not later than the second business (2nd) day following the execution and delivery of this Agreement or, if applicable, such earlier time as may be required by the Securities Act; to notify the Representatives immediately of the Company's intention to file or prepare any supplement or amendment to the Registration Statement or to the Prospectus and to make no amendment or supplement to the Registration Statement, the General Disclosure Package or to the Prospectus to which the Representatives shall reasonably object by notice to the Company after a reasonable period to review; to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the General Disclosure Package or the Prospectus or any amended Prospectus or any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication has been filed and to furnish the Underwriters with copies thereof; to file promptly all material required to be filed by the Company with the Commission pursuant to Rules 433(d) or 163(b)(2) of the Rules and Regulations, as the case may be; to advise the Representatives, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus, any Issuer Free Writing Prospectus, the Prospectus or any Written Testing-the-Waters Communication, of the suspension of the qualification of the Stock for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement, the General Disclosure Package or the Prospectus or for additional information, including, but not limited to, any request for information concerning any Testing-the-Waters Communication; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus, any Issuer Free Writing Prospectus or the Prospectus or suspending any such qualification, and promptly to use commercially reasonable efforts to obtain the withdrawal of such order.

(b) Emerging Growth Company. The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (a) the completion of the distribution of the Firm Stock within the meaning of the Securities Act and (b) completion of the Lock-Up Period (as defined below).

If at any time following the distribution of any Written Testing-the-Waters Communication there occurred or occurs an event or development as a result of which such Written Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission.

(c) Permitted Free Writing Prospectus. The Company represents and agrees that, unless it obtains the prior consent of the Representatives, and each Underwriter represents and agrees that, unless it obtains the prior consent of the Company and the Representatives, it has not made and will not, make any offer relating to the Stock that would constitute a "free writing prospectus" as defined in Rule 405 of the Rules and Regulations unless the prior written consent of the Representatives has been received (each, a "***Permitted Free Writing Prospectus***"); *provided* that the prior written consent of the Representatives hereto shall be deemed to have been given in respect of the Issuer Free Writing Prospectuses included in Schedule B hereto. The Company represents that it has treated and agrees that it will treat each Permitted Free Writing Prospectus as an Issuer Free Writing Prospectus, comply with the requirements of Rules 164 and 433 of the Rules and Regulations applicable to any Issuer Free Writing Prospectus, including the requirements relating to timely filing with the Commission, legending and record keeping and will not take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) of the Rules and Regulations a free writing prospectus prepared by or on behalf of such Underwriter that such Underwriter otherwise would not have been required to file thereunder. The Company will satisfy the condition in Rule 433 of the Rules and Regulations to avoid a requirement to file with the Commission any electronic road show.

(d) Ongoing Compliance. If at any time prior to the date when a prospectus relating to the Stock is required to be delivered (or in lieu thereof, the notice referred to in Rule 173(a) of the Rules and Regulations) any event occurs or condition exists as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made when the Prospectus is delivered (or in lieu thereof, the notice referred to in Rule 173(a) of the Rules and Regulations), not misleading, or if it is necessary at any time to amend or supplement the Registration Statement or the Prospectus, that the Company will promptly notify the Representatives thereof and upon their request will prepare an appropriate amendment or supplement, or upon their request make an appropriate filing pursuant to Section 13 or 14 of the Exchange Act, in form and substance satisfactory to the Representatives which will correct such statement or omission or effect such compliance and will use its reasonable best efforts to have any amendment to the Registration Statement declared effective as soon as possible. The Company will furnish without charge to each Underwriter and to any dealer in securities as many copies as the Representatives may from time to time reasonably request of such amendment or supplement. In case any Underwriter is required to deliver a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) of the Rules and Regulations) relating to the Stock, the Company upon the request of the Representatives will prepare promptly an amended or supplemented Prospectus as may be necessary to permit compliance with the requirements of Section 10(a)(3) of the Securities Act and deliver to such Underwriter as many copies as such Underwriter may request of such amended or supplemented Prospectus complying with Section 10(a)(3) of the Securities Act.

(e) Amendment to General Disclosure Package. If the General Disclosure Package is being used to solicit offers to buy the Stock at a time when the Prospectus is not yet available to prospective purchasers and any event shall occur as a result of which, in the judgment of the Company or in the reasonable opinion of the Underwriters, it becomes necessary to amend or supplement the General Disclosure Package in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, or to make the statements therein not conflict with the information contained in the Registration Statement then on file and not superseded or modified, or if it is necessary at any time to amend or supplement the General Disclosure Package to comply with any law, the Company promptly will prepare, file with the Commission (if required) and furnish to the Underwriters and any dealers an appropriate amendment or supplement to the General Disclosure Package.

(f) Amendment to Issuer Free Writing Prospectus. If at any time following issuance of an Issuer Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer Free Writing Prospectus conflicted or will conflict with the information contained in the Registration Statement, Pricing Prospectus or Prospectus and not superseded or modified or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances prevailing at the subsequent time, not misleading, the Company has promptly notified or will promptly notify the Representatives so that any use of the Issuer Free Writing Prospectus may cease until it is amended or supplemented and has promptly amended or will promptly amend or supplement, at its own expense, such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission. The foregoing sentence does not apply to statements in or omissions from any Issuer Free Writing Prospectus in reliance upon, and in conformity with, written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information the parties hereto agree is limited to the Underwriter's Information.

(g) Delivery of Registration Statement. To the extent not available on the Commission's Electronic Data Gathering, Analysis and Retrieval system or any successor system ("***EDGAR***"), upon the request of the Representatives, to furnish promptly to the Representatives and to counsel for the Underwriters a signed copy of the Registration Statement as originally filed with the Commission, and of each amendment thereto filed with the Commission, including all consents and exhibits filed therewith.

(h) Delivery of Copies. Upon request of the Representatives, to the extent not available on EDGAR, to deliver promptly to the Representatives in New York City such number of the following documents as the Representatives shall reasonably request: (i) conformed copies of the Registration Statement as originally filed with the Commission (in each case excluding exhibits), (ii) each Preliminary Prospectus, (iii) any Issuer Free Writing Prospectus, (iv) the Prospectus (the delivery of the documents referred to in clauses (i), (ii), (iii) and (iv) of this paragraph (h) to be made not later than 10:00 A.M., New York time, on the business day following the execution and delivery of this Agreement), (v) conformed copies of any amendment to the Registration Statement (excluding exhibits), and (vi) any amendment or supplement to the General Disclosure Package or the Prospectus (the delivery of the documents referred to in clauses (v) and (vi) of this paragraph (h) to be made not later than 10:00 A.M., New York City time, on the business day following the date of such amendment or supplement.

(i) Earnings Statement. To make generally available to its stockholders as soon as practicable, but in any event not later than sixteen (16) months after the effective date of the Registration Statement (as defined in Rule 158(c) of the Rules and Regulations), an earnings statement of the Company (which need not be audited) complying with Section 11(a) of the Securities Act (including, at the option of the Company, Rule 158); and to furnish to its stockholders as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Company certified by independent public accountants) and as soon as possible after each of the first three fiscal quarters of each fiscal year (beginning with the first fiscal quarter after the effective date of such Registration Statement), consolidated summary financial information of the Company for such quarter in reasonable detail; *provided* that these obligations to provide such information and reports shall be satisfied by making them available on EDGAR.

(j) Blue Sky Compliance. To take promptly from time to time such actions as the Representatives may reasonably request to qualify the Stock for offering and sale under the securities or Blue Sky laws of such jurisdictions (domestic or foreign) as the Representatives may reasonably designate and to continue such qualifications in effect, and to comply with such laws, for so long as required to permit the offer and sale of Stock in such jurisdictions; *provided* that the Company shall not be obligated to (i) qualify as a foreign corporation in any jurisdiction in which it is not so qualified, (ii) file a general consent to service of process in any jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject.

(k) Reports. Upon request, during the period of five (5) years from the date hereof, to deliver to each of the Underwriters, (i) as soon as they are available, copies of all reports or other communications (financial or other) furnished to stockholders, and (ii) as soon as they are available, copies of any reports and financial statements furnished or filed with the Commission or any national securities exchange on which the Stock is listed. However, so long as the Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act and is timely filing reports via EDGAR, it is not required to furnish such reports or statements to the Underwriters.

(l) Lock-Up. During the period commencing on and including the date hereof and ending on and including the 90th day following the date of this Agreement (the "***Lock-Up Period***") the Company will not, without the prior written consent of the Representatives (which consent may be withheld at the sole discretion of the Representatives), directly or indirectly offer, sell (including, without limitation, any short sale), assign, transfer, pledge, contract to sell, establish an open "put equivalent position" within the meaning of Rule 16a-1(h) under the Exchange Act, or otherwise dispose of, or announce the offering of, or file any registration statement under the Securities Act in respect of, any Common Stock, options, rights or warrants to acquire Common Stock or securities exchangeable or exercisable for or convertible into Common Stock (other than is contemplated by this Agreement with respect to the Stock) or publicly announce any intention to do any of the foregoing; *provided, however*, that the Company may (i) issue Common Stock and options to purchase Common Stock, shares of Common Stock underlying options granted and other securities, each pursuant to any director or employee stock option plan, stock ownership plan or dividend reinvestment plan of the Company described in the General Disclosure Package; (ii) issue Common Stock pursuant to the conversion of securities or the exercise of warrants, which securities or warrants are outstanding on the date hereof and described in the General Disclosure Package; (iii) adopt a new equity incentive plan, and file a registration statement on Form S-8 under the Securities Act to register the offer and sale of securities to be issued pursuant to such new equity incentive plan, and issue securities pursuant to such new equity incentive plan (including, without limitation, the issuance of shares of Common Stock upon the exercise of options or other securities issued pursuant to such new equity incentive plan), provided that (1) such new equity incentive plan satisfies the transaction requirements of General Instruction A.1 of Form S-8 under the Securities Act and (2) this clause (iii) shall not be available unless each recipient of shares of Common Stock, or securities exchangeable or exercisable for or convertible into Common Stock, pursuant to such new equity incentive plan shall be contractually prohibited from selling, offering, disposing of or otherwise transferring any such shares or securities during the remainder of the Lock-Up Period; and (iv) issue Common Stock or securities convertible or exchangeable for shares of Common Stock in connection with any acquisition, collaboration, licensing or other strategic transaction (but excluding transactions principally of a financing nature); *provided*, that the aggregate number of shares of Common Stock or securities convertible into or exercisable for Common Stock (on an as-converted or as-exercised basis, as the case may be) that the Company may sell or issue or agree to sell or issue pursuant to this clause (iv) shall not exceed five percent (5%) of the total number of shares of the Company's Common Stock issued and outstanding immediately following the completion of the transactions contemplated by this Agreement. In addition, the Company will cause each of the officers and directors and stockholders of the Company listed in Schedule D to this Agreement to furnish to the Representatives, prior to the Closing Date, a "lock-up" agreement, substantially in the form of Exhibit I hereto. In addition, the Company will direct the transfer agent to place stop transfer restrictions upon any such securities of the Company that are bound by such "lock-up" agreements.

(m) Delivery of SEC Correspondence. To supply the Underwriters with copies of all correspondence to and from, and all documents issued to and by, the Commission in connection with the registration of the Stock under the Securities Act or any of the Registration Statement, any Preliminary Prospectus or the Prospectus, or any amendment or supplement thereto.

(n) Press Releases. Prior to the Closing Date, not to issue any press release or other communication directly or indirectly or hold any press conference with respect to the Company, its condition, financial or otherwise, or earnings, business affairs or business prospects (except for routine oral marketing communications in the ordinary course of business and consistent with the past practices of the Company and of which the Representatives are notified), without the prior consent of the Representatives, unless in the judgment of the Company and its counsel, and after notification to the Representatives, such press release or communication is required by law.

(o) Compliance with Regulation M. Until the Underwriters shall have notified the Company of the completion of the resale of the Stock, that the Company will not, and will use its best efforts to cause its affiliated purchasers (as defined in Regulation M under the Exchange Act) not to, either alone or with one or more other persons, bid for or purchase, for any account in which it or any of its affiliated purchasers has a beneficial interest, any Stock, or attempt to induce any person to purchase any Stock; and not to, and use its best efforts to cause its affiliated purchasers not to, make bids or purchase for the purpose of creating actual, or apparent, active trading in or of raising the price of the Stock.

(p) Registrar and Transfer Agent. To maintain, at its expense, a registrar and transfer agent for the Stock.

(q) Use of Proceeds. To apply the net proceeds from the sale of the Stock as set forth in the Registration Statement, the General Disclosure Package and the Prospectus under the heading "Use of Proceeds," and except as disclosed in the General Disclosure Package, the Company does not intend to use any of the proceeds from the sale of the Stock hereunder to repay any outstanding debt owed to any affiliate of any Underwriter. The Company shall manage its affairs and investments in such a manner as not to be or become an "investment company" within the meaning of the Investment Company Act and the rules and regulations thereunder.

(r) Exchange Listing. To use its reasonable best efforts to list, subject to notice of issuance, the Stock on the Exchange.

(s) Performance of Covenants and Satisfaction of Conditions. To use its reasonable best efforts to do and perform all things required to be done or performed under this Agreement by the Company prior to each Closing Date and to satisfy all conditions precedent to the delivery of the Firm Stock and the Optional Stock.

5. *Payment of Expenses*. The Company agrees to pay, or reimburse if paid by any Underwriter, whether or not the transactions contemplated hereby are consummated or this Agreement is terminated: (a) the costs incident to the authorization, issuance, sale, preparation and delivery of the Stock and any taxes payable in that connection; (b) the costs incident to the registration of the Stock under the Securities

Act; (c) the costs incident to the preparation, printing and distribution of the Registration Statement, any Preliminary Prospectus, any Issuer Free Writing Prospectus, the General Disclosure Package, the Prospectus, any amendments, supplements and exhibits thereto and the costs of printing, reproducing and distributing this Agreement and any closing documents by mail, telex or other means of communications; (d) the fees and expenses (including reasonable and related fees and expenses of counsel for the Underwriters) incurred in connection with securing any required review by FINRA of the terms of the sale of the Stock and any filings made with FINRA, in an amount, together with the amounts paid under 5(f) hereunder, not to exceed $50,000; (e) any applicable listing or other fees; (f) the fees and expenses (including related fees and expenses of counsel to the Underwriters) of qualifying the Stock under the securities laws of the several jurisdictions as provided in Section 4(j)) and of preparing, printing and distributing wrappers, Blue Sky Memoranda and Legal Investment Surveys, in an amount, together with the amounts paid under 5(d) hereunder, not to exceed $30,000; (g) the cost of preparing and printing stock certificates; (h) all fees and expenses of the registrar and transfer agent of the Stock; (i) the costs and expenses of the Company relating to investor presentations on any “road show” undertaken in connection with the marketing of the offering of the Stock, including, without limitation, expenses associated with the preparation or dissemination of any electronic road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the officers of the Company and such consultants, including 50% of the cost of any aircraft chartered in connection with the road show; and (j) all other costs and expenses incident to the offering of the Stock or the performance of the obligations of the Company under this Agreement (including, without limitation, the fees and expenses of the Company’s counsel and the Company’s independent accountants; *provided* that, except to the extent otherwise provided in this Section 5 and in Section 9, the Underwriters shall pay their own costs and expenses, including the fees and expenses of their counsel not contemplated herein, any transfer taxes on the resale of any Stock by them and the expenses of advertising any offering of the Stock made by the Underwriters.

6. *CONDITIONS OF UNDERWRITERS’ OBLIGATIONS*. The respective obligations of the several Underwriters hereunder are subject to the accuracy, when made and as of the Applicable Time and on such Closing Date, of the representations and warranties of the Company contained herein, to the accuracy of the statements of the Company made in any certificates pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder, and to each of the following additional terms and conditions:

(a) Registration Compliance; No Stop Orders. The Registration Statement has become effective under the Securities Act, and no stop order suspending the effectiveness of the Registration Statement or any part thereof, preventing or suspending the use of any Preliminary Prospectus, the Prospectus or any Permitted Free Writing Prospectus or any part thereof shall have been issued and no proceedings for that purpose or pursuant to Section 8A under the Securities Act shall have been initiated or threatened by the Commission, and all requests for additional information on the part of the Commission (to be included in the Registration Statement or the Prospectus or otherwise) shall have been complied with to the reasonable satisfaction of the Representatives; the Rule 462(b) Registration Statement, if any, each Issuer Free Writing Prospectus and the Prospectus shall have been filed with, the Commission within the applicable time period prescribed for such filing by, and in compliance with, the Rules and Regulations and in accordance with Section 4(a), and the Rule 462(b) Registration Statement, if any, shall have become effective immediately upon its filing with the Commission; and FINRA shall have raised no unresolved objection to the fairness and reasonableness of the terms of this Agreement or the transactions contemplated hereby.

(b) No Material Misstatements. None of the Underwriters shall have discovered and disclosed to the Company on or prior to such Closing Date that the Registration Statement or any amendment or supplement thereto contains an untrue statement of a fact which, in the opinion of counsel for the Underwriters, is material or omits to state any fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein not misleading, or that the General Disclosure Package, any Issuer Free Writing Prospectus or the Prospectus or any amendment or supplement thereto contains an untrue statement of fact which, in the opinion of such counsel, is material or omits to state any fact which, in the opinion of such counsel, is material and is necessary in order to make the statements, in the light of the circumstances in which they were made, not misleading.

(c) Corporate Proceedings. All corporate proceedings incident to the authorization, form and validity of each of this Agreement, the Stock, the Registration Statement, the General Disclosure Package, each Issuer Free Writing Prospectus and the Prospectus and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to counsel for the Underwriters, and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(d) Opinion and 10b-5 Statement of Counsel for the Company. Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. shall have furnished to the Representatives such counsel's written opinion and 10b-5 Statement, as counsel to the Company, addressed to the Underwriters and dated such Closing Date, in form and substance reasonably satisfactory to the Representatives, to the effect set forth in Exhibits II-A and II-B hereto, respectively.

(e) Opinion of Intellectual Property Counsel for the Company. Knowles Intellectual Property Strategy, LLC shall have furnished to the Representatives such counsel's written opinion, as intellectual property counsel to the Company, addressed to the Underwriters and dated such Closing Date, in form and substance reasonably satisfactory to the Representatives, to the effect set forth in Exhibit III hereto.

(f) Opinion and 10b-5 Statement of Counsel for the Underwriters. The Representatives shall have received from Goodwin Procter LLP, counsel for the Underwriters, such opinion or opinions and 10b-5 Statement, dated such Closing Date, with respect to such matters as the Underwriters may reasonably require, and the Company shall have furnished to such counsel such documents and certificates as they request for enabling them to pass upon such matters.

(g) Comfort Letter. At the time of the execution of this Agreement, the Representatives shall have received from PricewaterhouseCoopers LLP a letter, addressed to the Underwriters, executed and dated such date, in form and substance satisfactory to the Representatives (i) confirming that they are an independent registered accounting firm with respect to the Company within the meaning of the Securities Act and the Rules and Regulations and PCAOB and (ii) stating the conclusions and findings of such firm, of the type ordinarily included in accountants' "comfort letters" to underwriters, with respect to the financial statements and certain financial information contained in the Registration Statement, the General Disclosure Package and the Prospectus.

(h) Bring Down Comfort. On the effective date of any post-effective amendment to the Registration Statement and on such Closing Date, the Representatives shall have received a letter (the "***bring-down letter***") from PricewaterhouseCoopers LLP addressed to the Underwriters and dated the Closing Date confirming, as of the date of the bring-down letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the General Disclosure Package and the Prospectus, as the case may be, as of a date not more than three (3) business days prior to the date of the bring-down letter), the conclusions and findings of such firm, of the type ordinarily included in accountants' "comfort letters" to underwriters, with respect to the financial information and other matters covered by its letter delivered to the Representatives concurrently with the execution of this Agreement pursuant to paragraph (g) of this Section 6.

(i) Officer's Certificate. The Company shall have furnished to the Representatives a certificate, dated such Closing Date, of its Chief Executive Officer and President and its Principal Financial Officer stating in their respective capacities as officers of the Company on behalf of the Company that (i) no stop order suspending the effectiveness of the Registration Statement (including, for avoidance of doubt, any Rule 462(b) Registration Statement), or any post-effective amendment thereto, shall be in effect and no proceedings for such purpose shall have been instituted or, to their knowledge, threatened by the Commission, (ii) for the period from and including the date of this Agreement through and including such Closing Date, there has not occurred any Material Adverse Change, (iii) to their knowledge, after reasonable investigation, as of such Closing Date, the representations and warranties of the Company in this Agreement are true and correct and the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to such Closing Date in all material respects, and (iv) there has not been, subsequent to the date of the most recent audited financial statements included in the General Disclosure Package, any Material Adverse Change, or any change or development that, singularly or in the aggregate, would reasonably be expected to involve a Material Adverse Change, except as set forth in the General Disclosure Package and the Prospectus.

(j) No Material Adverse Change. Since the date of the latest audited financial statements included in the General Disclosure Package (i) the Company shall not have sustained any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth in the General Disclosure Package, and (ii) there shall not have been any change in the capital stock or long-term debt of the Company, or any change, or any development involving a prospective change, in or affecting the business, general affairs, management, financial position, stockholders' equity or results of operations of the Company, otherwise than as set forth in the General Disclosure Package, the effect of which, in any such case described in clause (i) or (ii) of this paragraph (j), is, in the judgment of the Representatives, so material and adverse as to make it impracticable or inadvisable to proceed with the sale or delivery of the Stock on the terms and in the manner contemplated in the General Disclosure Package.

(k) No Legal Impediment to Issuance. No action shall have been taken and no law, statute, rule, regulation or order shall have been enacted, adopted or issued by any governmental or regulatory agency or body which would prevent the issuance or sale of the Stock; and no injunction, restraining order or order of any other nature by any federal or state court of competent jurisdiction shall have been issued which would prevent the issuance or sale of the Stock or materially and adversely affect or potentially materially and adversely affect the business or operations of the Company.

(l) Market Conditions. Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) trading in any of the Company's securities shall have been suspended or materially limited by the Commission or the Exchange, or trading in securities generally on the New York Stock Exchange, NASDAQ Global Select Market, NASDAQ Global Market, NASDAQ Capital Market or the NYSE MKT LLC or in the over-the-counter market, or trading in any securities of the Company on any exchange or in the over-the-counter market, shall have been suspended or materially limited, or minimum or maximum prices or maximum range for prices shall have been established on any such exchange or such market by the Commission, by such exchange or market or by any other regulatory body or governmental authority having jurisdiction, (ii) a banking moratorium shall have been declared by Federal or state authorities or a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States, (iii) the United States shall have become engaged in hostilities, or the subject of an act of terrorism, or there shall have been an outbreak of or escalation in hostilities involving the United States, or there shall have been a declaration of a national emergency or war by the United States or (iv) there shall have occurred such a material adverse change in general economic, political or financial conditions (or the effect of international conditions on the financial markets in the United States shall be such) as to make it, in the judgment of the Representatives, impracticable or inadvisable to proceed with the sale or delivery of the Stock on the terms and in the manner contemplated in the General Disclosure Package and the Prospectus.

(m) Exchange Listing. The Exchange shall have approved the Stock for listing therein.

(n) Good Standing. The Representatives shall have received on and as of such Closing Date satisfactory evidence of the good standing of the Company in its jurisdiction of organization and its good standing as a foreign entity in such other jurisdictions as the Representatives may reasonably request, in each case in writing or any standard form of telecommunication from the appropriate Governmental Authorities of such jurisdictions.

(o) Lock Up Agreements. The Representatives shall have received the written agreements, substantially in the form of Exhibit I hereto, of each of the officers and directors and stockholders of the Company listed in Schedule D to this Agreement.

(p) Secretary's Certificate. The Company shall have furnished to the Representatives a Secretary's Certificate of the Company, in form and substance reasonably satisfactory to counsel for the Underwriters and customary for the type of offering contemplated by this Agreement.

(q) Principal Financial Officer Certificate. The Company shall have furnished to the Representatives a certificate, dated such Closing Date, of its Principal Financial Officer, in form and substance reasonably satisfactory to counsel for the Underwriters and customary for the type of offering contemplated by this Agreement.

(r) Additional Documents. On or prior to the Closing Date, the Company shall have furnished to the Representatives such further certificates and documents as the Representatives may reasonably request.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Underwriters.

7. *INDEMNIFICATION AND CONTRIBUTION.*

(a) Indemnification of Underwriters by the Company. The Company shall indemnify and hold harmless:

each Underwriter, its affiliates, directors, officers, managers, members, employees, representatives and agents and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively the "***Underwriter Indemnified Parties***," and each an "***Underwriter Indemnified Party***") against any loss, claim, damage, expense or liability whatsoever (or any action, investigation or proceeding in respect thereof), joint or several, to which such

Underwriter Indemnified Party may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, expense, liability, action, investigation or proceeding arises out of or is based upon (A) any untrue statement or alleged untrue statement of a material fact contained in any Written Testing-the-Waters Communication, any Preliminary Prospectus, any Issuer Free Writing Prospectus, any "issuer information" filed or required to be filed pursuant to Rule 433(d) of the Rules and Regulations, the Registration Statement, the Prospectus, or in any amendment or supplement thereto or in any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Common Stock, including any roadshow or investor presentations made to investors by the Company (whether in person or electronically) ("***Marketing Materials***") or (B) the omission or alleged omission to state in any Company Written Testing-the-Waters Communication, any Preliminary Prospectus, any Issuer Free Writing Prospectus, any "issuer information" filed or required to be filed pursuant to Rule 433(d) of the Rules and Regulations, the Registration Statement or the Prospectus, or in any amendment or supplement thereto or in any Marketing Materials, a material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse each Underwriter Indemnified Party promptly upon demand for any legal fees or other expenses reasonably incurred by that Underwriter Indemnified Party in connection with investigating, or preparing to defend, or defending against, or appearing as a third party witness in respect of, or otherwise incurred in connection with, any such loss, claim, damage, expense, liability, action, investigation or proceeding, as such fees and expenses are incurred; *provided*, *however*, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, expense or liability arises out of or is based upon an untrue statement or alleged untrue statement in, or omission or alleged omission from any Preliminary Prospectus, the Registration Statement or the Prospectus, or any such amendment or supplement thereto, any Issuer Free Writing Prospectus or any Marketing Materials made in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for use therein, which information the parties hereto agree is limited to the Underwriter's Information.

The indemnity agreement in this Section 7(a) is not exclusive and is in addition to each other liability which the Company might have under this Agreement or otherwise, and shall not limit any rights or remedies which may otherwise be available under this Agreement, at law or in equity to any Underwriter Indemnified Party.

(b) Indemnification of Company by the Underwriters. Each Underwriter, severally and not jointly, shall indemnify and hold harmless the Company and its directors, its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively the "***Company Indemnified Parties***" and each a "***Company Indemnified Party***") against any loss, claim, damage, expense or liability whatsoever (or any action, investigation or proceeding in respect thereof), joint or several, to which such Company Indemnified Party may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, expense, liability, action, investigation or proceeding arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, any Issuer Free Writing Prospectus, any "issuer information" filed or required to be filed pursuant to Rule 433(d) of the Rules and Regulations, the Registration Statement or the Prospectus, or in any amendment or supplement thereto, or (ii) the omission or alleged omission to state in any Preliminary Prospectus, any Issuer Free Writing Prospectus, any "issuer information" filed or required to be filed pursuant to Rule 433(d) of the Rules and Regulations, the Registration

Statement or the Prospectus, or in any amendment or supplement thereto, a material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of that Underwriter specifically for use therein, which information the parties hereto agree is limited to the Underwriter's Information, and shall reimburse the Company Indemnified Parties for any legal or other expenses reasonably incurred by such party in connection with investigating or preparing to defend or defending against or appearing as third party witness in connection with any such loss, claim, damage, liability, action, investigation or proceeding, as such fees and expenses are incurred. This indemnity agreement is not exclusive and will be in addition to any liability which the Underwriters might otherwise have and shall not limit any rights or remedies which may otherwise be available under this Agreement, at law or in equity to the Company Indemnified Parties.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party under this Section 7, notify such indemnifying party in writing of the commencement of that action; *provided, however,* that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 7 except to the extent it has been materially prejudiced by such failure; and, *provided, further,* that the failure to notify an indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 7. If any such action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense of such action with counsel reasonably satisfactory to the indemnified party (which counsel shall not, except with the written consent of the indemnified party, be counsel to the indemnifying party). After notice from the indemnifying party to the indemnified party of its election to assume the defense of such action, except as provided herein, the indemnifying party shall not be liable to the indemnified party under Section 7 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense of such action other than reasonable costs of investigation; *provided, however,* that any indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense of such action but the fees and expenses of such counsel (other than reasonable costs of investigation) shall be at the expense of such indemnified party unless (i) the employment thereof has been specifically authorized in writing by the Company in the case of a claim for indemnification under Section 7(a) or the Representatives in the case of a claim for indemnification under Section 7(b), (ii) such indemnified party shall have been advised by its counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the indemnifying party, or (iii) the indemnifying party has failed to assume the defense of such action and employ counsel reasonably satisfactory to the indemnified party within a reasonable period of time after notice of the commencement of the action or the indemnifying party does not diligently defend the action after assumption of the defense, in which case, if such indemnified party notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of (or, in the case of a failure to diligently defend the action after assumption of the defense, to continue to defend) such action on behalf of such indemnified party and the indemnifying party shall be responsible for legal or other expenses subsequently incurred by such indemnified party in connection with the defense of such action; *provided*, *however*, that the indemnifying party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for all such indemnified parties (in addition to one local counsel), which firm shall be designated in writing by the Representatives if the indemnified parties under this Section 7 consist of any Underwriter Indemnified Party or by the Company if the indemnified parties under this Section 7 consist of any Company Indemnified Parties. Subject to this Section 7(c), the amount payable by an indemnifying party under Section 7 shall include, but not be limited to, (x) reasonable legal fees and expenses of counsel to the indemnified party and any other expenses in investigating, or preparing to defend or defending against, or appearing as a third party witness in respect of, or otherwise incurred in connection with, any action, investigation, proceeding or claim, and (y) all amounts paid in settlement of any of the foregoing. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of judgment with respect to any pending or threatened action or any claim whatsoever, in respect of which indemnification or contribution could be sought under this Section 7 (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party in form and substance reasonably satisfactory to such indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party. Subject to the provisions of the following sentence, no indemnifying party shall be liable for settlement of any pending or threatened action or any claim whatsoever that is effected without its written consent (which consent shall not be unreasonably withheld or delayed), but if settled with its written consent, if its consent has been unreasonably withheld or delayed or if there be a judgment for the plaintiff in any such matter, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. In addition, if at any time an indemnified party shall have requested that an indemnifying party reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Sections 7(a) effected without its written consent if (i) such settlement is entered into more than forty-five (45) days after receipt by such indemnifying party of the request for reimbursement, (ii) such indemnifying party shall have received notice of the terms of such settlement at least thirty (30) days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(d) If the indemnification provided for in this Section 7 is unavailable or insufficient to hold harmless an indemnified party under Section 7(a) or 7(b), then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid, payable or otherwise incurred by such indemnified party as a result of such loss, claim, damage, expense or liability (or any action, investigation or proceeding in respect thereof), as incurred, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Stock, or (ii) if the allocation provided by clause (i) of this Section 7(d) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) of this Section 7(d) but also the relative fault of the Company on the one hand and the Underwriters on the other with respect to the statements, omissions, acts or failures to act which resulted in such loss, claim, damage, expense or liability (or any action, investigation or proceeding in respect thereof) as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Stock purchased under this Agreement (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters with respect to the Stock purchased under this Agreement, in each case as set forth in the table on the cover page of the Prospectus. The relative fault of the Company on the one hand and the Underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement, omission, act or failure to act; *provided* that the parties hereto agree that the written information furnished to the Company through the Representatives by or on behalf of the Underwriters for use in the Preliminary Prospectus, the Registration Statement or the Prospectus, or in any amendment or supplement thereto, consists solely of the Underwriter's Information.

(e) The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to Section 7(d) above were to be determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to Section 7(d) above. The amount paid or payable by an indemnified party as a result of the loss, claim, damage, expense, liability, action, investigation or proceeding referred to in Section 7(d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating, preparing to defend or defending against or appearing as a third party witness in respect of, or otherwise incurred in connection with, any such loss, claim, damage, expense, liability, action, investigation or proceeding. Notwithstanding the provisions of this Section 7, no Underwriters shall be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the offering of the Stock exceeds the amount of any damages which the Underwriter has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement, omission or alleged omission, act or alleged act or failure to act or alleged failure to act. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute as provided in this Section 7 are several in proportion to their respective underwriting obligations and not joint.

8. *TERMINATION*. The obligations of the Underwriters hereunder may be terminated by the Representatives, in their absolute discretion by notice given to the Company prior to delivery of and payment for the Firm Stock if, prior to that time, any of the events described in Sections 6(j) or 6(l) have occurred or if the Underwriters shall decline to purchase the Stock for any reason permitted under this Agreement.

9. *REIMBURSEMENT OF UNDERWRITERS' EXPENSES*. Notwithstanding anything to the contrary in this Agreement, if (a) this Agreement shall have been terminated pursuant to Section 8 or 10, (b) the Company shall fail to tender the Stock for delivery to the Underwriters for any reason not permitted under this Agreement, (c) the Underwriters shall decline to purchase the Stock for any reason permitted under this Agreement or (d) the sale of the Stock is not consummated because any condition to the obligations of the Underwriters set forth herein is not satisfied or because of the refusal, inability or failure on the part of the Company to perform any agreement herein or to satisfy any condition or to comply with the provisions hereof, then in addition to the payment of amounts in accordance with Section 5, the Company shall reimburse the Underwriters for the fees and expenses of Underwriters' counsel and for such other out-of-pocket expenses as shall have been reasonably incurred by them in connection with this Agreement and the proposed purchase of the Stock, including, without limitation, travel and lodging expenses of the Underwriters, and upon demand the Company shall pay the full amount thereof to the Representatives; *provided* that if this Agreement is terminated pursuant to Section 10 by reason of the default of one or more Underwriters, the Company shall not be obligated to reimburse any defaulting Underwriter on account of expenses to the extent incurred by such defaulting Underwriter *provided further* that the foregoing shall not limited any reimbursement obligation of the Company to any non-defaulting Underwriter under this Section 9.

10. *SUBSTITUTION OF UNDERWRITERS*. If any Underwriter or Underwriters shall default in its or their obligations to purchase shares of Stock hereunder on any Closing Date and the aggregate number of shares which such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed ten percent (10%) of the total number of shares to be purchased by all Underwriters on such Closing Date, the other Underwriters shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the shares which such defaulting Underwriter or Underwriters agreed but failed to purchase on such Closing Date. If any Underwriter or Underwriters shall so default and the aggregate number of shares with respect to which such default or defaults occur is more than ten percent (10%) of the total number of shares to be purchased by all Underwriters on such Closing Date and arrangements satisfactory to the Representatives and the Company for the purchase of such shares by other persons are not made within forty-eight (48) hours after such default, this Agreement shall terminate.

If the remaining Underwriters or substituted Underwriters are required hereby or agree to take up all or part of the shares of Stock of a defaulting Underwriter or Underwriters on such Closing Date as provided in this Section 10, (i) the Company shall have the right to postpone such Closing Dates for a period of not more than five (5) full business days in order that the Company may effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees promptly to file any amendments to the Registration Statement or supplements to the Prospectus which may thereby be made necessary, and (ii) the respective numbers of shares to be purchased by the remaining Underwriters or substituted Underwriters shall be taken as the basis of their underwriting obligation for all purposes of this Agreement. Nothing herein contained shall relieve any defaulting Underwriter of its liability to the Company or the other Underwriters for damages occasioned by its default hereunder. Any termination of this Agreement pursuant to this Section 10 shall be without liability on the part of any non-defaulting Underwriter or the Company, except that the representations, warranties, covenants, indemnities, agreements and other statements set forth in Section 2, the obligations with respect to expenses to be paid or reimbursed pursuant to Sections 5 and 9 and the provisions of Section 7 and Sections 11 through 21, inclusive, shall not terminate and shall remain in full force and effect.

11. *ABSENCE OF FIDUCIARY RELATIONSHIP*. The Company acknowledges and agrees that:

(a) each Underwriter’s responsibility to the Company is solely contractual in nature, the Representatives have been retained solely to act as underwriters in connection with the sale of the Stock and no fiduciary, advisory or agency relationship between the Company and the Representatives have been created in respect of any of the transactions contemplated by this Agreement, irrespective of whether any of the Representatives has advised or is advising the Company on other matters;

(b) the price of the Stock set forth in this Agreement was established by the Company following discussions and arms-length negotiations with the Representatives, and the Company is capable of evaluating and understanding, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Agreement;

(c) it has been advised that the Representatives and their affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company and that the Representatives have no obligation to disclose such interests and transactions to the Company by virtue of any fiduciary, advisory or agency relationship; and

(d) it waives, to the fullest extent permitted by law, any claims it may have against the Representatives for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that the Representatives shall have no liability (whether direct or indirect) to the Company in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of the Company, including stockholders, employees or creditors of the Company.

12. *SUCCESSORS; PERSONS ENTITLED TO BENEFIT OF AGREEMENT*. This Agreement shall inure to the benefit of and be binding upon the several Underwriters, the Company and their respective successors and assigns. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, other than the persons mentioned in the preceding sentence, any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions herein contained, this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of such persons and for the benefit of no other person; except that the representations, warranties, covenants, agreements and indemnities of the Company contained in this Agreement shall also be for the benefit of the Underwriter Indemnified Parties, and the indemnities of the several Underwriters shall be for the benefit of the Company Indemnified Parties. It is understood that each Underwriter's responsibility to the Company is solely contractual in nature and the Underwriters do not owe the Company, or any other party, any fiduciary duty as a result of this Agreement. No purchaser of any of the Stock from any Underwriter shall be deemed to be a successor or assign by reason merely of such purchase.

13. *SURVIVAL OF INDEMNITIES, REPRESENTATIONS, WARRANTIES, ETC*. The respective indemnities, covenants, agreements, representations, warranties and other statements of the Company and the several Underwriters, as set forth in this Agreement or made by them respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter, the Company or any person controlling any of them and shall survive delivery of and payment for the Stock. Notwithstanding any termination of this Agreement, including without limitation any termination pursuant to Section 8 or Section 10, the indemnities, covenants, agreements, representations, warranties and other statements set forth in Sections 2, 5, 7 and 9 and Sections 11 through 21, inclusive, of this Agreement shall not terminate and shall remain in full force and effect at all times.

14. *NOTICES*. All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Underwriters, shall be delivered or sent by mail, telex, facsimile transmission or email to J.P. Morgan Securities LLC, 383 Madison Avenue, 4th Floor, New York, New York 10179, Attention: Equity Syndicate Desk, Fax: 212-622-8358 and to Cowen and Company, LLC, Attention: Head of Equity Capital Markets, Fax: 646-562-1249 with a copy to the General Counsel, Fax: 646-562-1124, with an additional copy to the Underwriters' outside counsel, Michael Maline and Edwin O'Connor of Goodwin Procter LLP, Fax: 212-504-2800; and

(b) if to the Company, shall be delivered or sent by mail, telex, facsimile transmission or email to G1 Therapeutics, Inc., Attention: President, Fax: 919-741-5830, with an additional copy to Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Attention: Megan Gates, Fax: 617-542-2241 LLP, email: mgates@mintz.com;

provided, however, that any notice to an Underwriter pursuant to Section 7 shall be delivered or sent by mail, or facsimile transmission to such Underwriter at its address set forth in its acceptance telex to the Representatives, which address will be supplied to any other party hereto by the Representatives upon request. Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof.

15. *DEFINITION OF CERTAIN TERMS*. For purposes of this Agreement, (a) "***affiliate***" has the meaning set forth in Rule 405 under the Securities Act, (b) "***business day***" means any day on which the New York Stock Exchange, Inc. is open for trading and (c) "***subsidiary***" has the meaning set forth in Rule 405 of the Rules and Regulations.

16. ***GOVERNING LAW*** **This Agreement shall be governed by and construed in accordance with the laws of the State of New York, including without limitation Section 5-1401 of the New York General Obligations.** The Company irrevocably (a) submits to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York for the purpose of any suit, action or other proceeding arising out of this Agreement or the transactions contemplated by this Agreement, the Registration Statement and any Preliminary Prospectus or the Prospectus, (b) agrees that all claims in respect of any such suit, action or proceeding may be heard and determined by any such court, (c) waives to the fullest extent permitted by applicable law, any immunity from the jurisdiction of any such court or from any legal process, (d) agrees not to commence any such suit, action or proceeding other than in such courts, and (e) waives, to the fullest extent permitted by applicable law, any claim that any such suit, action or proceeding is brought in an inconvenient forum.

17. *UNDERWRITERS' INFORMATION*. The parties hereto acknowledge and agree that, for all purposes of this Agreement, the Underwriters' Information consists solely of the following information in the Prospectus: (i) the last paragraph on the front cover page concerning the terms of the offering by the Underwriters; and (ii) the statements concerning the Underwriters contained in the paragraphs under the subheadings [____________________].

18. *AUTHORITY OF THE REPRESENTATIVES*. In connection with this Agreement, the Representatives will act for and on behalf of the several Underwriters, and any action taken under this Agreement by the Representatives, will be binding on all the Underwriters.

19. *PARTIAL UNENFORCEABILITY*. The invalidity or unenforceability of any section, paragraph, clause or provision of this Agreement shall not affect the validity or enforceability of any other section, paragraph, clause or provision hereof. If any section, paragraph, clause or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

20. *GENERAL*. This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. In this Agreement, the masculine, feminine and neuter genders and the singular and the plural include one another. The section headings in this Agreement are for the convenience of the parties only and will not affect the construction or interpretation of this Agreement. This Agreement may be amended or modified, and the observance of any term of this Agreement may be waived, only by a writing signed by the Company and the Representatives.

21. *COUNTERPARTS*. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

If the foregoing is in accordance with your understanding please indicate your acceptance of this Agreement by signing in the space provided for that purpose below.

Very truly yours,

G1 THERAPEUTICS, INC.

By: ______________________________
Name:
Title:

Accepted as of
the date first above written:

J.P. MORGAN SECURITIES LLC

COWEN AND COMPANY, LLC

Acting on their own behalf
and as Representatives of several
Underwriters listed on Schedule A to this
Agreement.

By: J.P. MORGAN SECURITIES LLC

By: ______________________________
Name:
Title:

By: COWEN AND COMPANY, LLC

By: ______________________________
Name:
Title:

SCHEDULE A

Name	Number of Shares of Firm Stock to be Purchased	Number of Shares of Optional Stock to be Purchased
J.P. Morgan Securities LLC	[*]	[*]
Cowen and Company, LLC	[*]	[*]
Total		

SCHEDULE B

General Use Free Writing Prospectuses

None.

SCHEDULE C

Pricing Information

Firm Stock to be Sold: [*] shares

Optional Stock: [*] shares

Offering Price: $[*] per share

Underwriting Discounts and Commissions: [*]%

Estimated Net Proceeds to the Company (after underwriting discounts and commissions, but before transaction expenses): $[*]

SCHEDULE D

List of officers, directors and stockholders subject to Section 4(l)

Mark A. Velleca, M.D., Ph.D.
Rajesh K. Malik, M.D.
Jay C. Strum, Ph.D.
Jennifer K. Moses
Seth A Rudnick, M.D.
Fredric N. Eshelman, Pharm.D.
Glenn P. Muir
Christy L. Shaffer, Ph.D.
Sir Andrew P. Witty
Eshelman Ventures, LLC
MedImmune Ventures, Inc.
Hatteras Venture Partners[1]
Barclay A. Phillips
Terry L. Murdock
Tyrell J. Rivers, Ph.D.

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1 Hatteras Venture Partners IV SBIC, L.P., Hatteras NC Fund, L.P. and Hatteras Venture Advisors V, LLC

SCHEDULE E

Written Testing-the-Waters Communications

None.

EXHIBIT I

Form of Lock-Up Agreement

________________, 2018

J.P. MORGAN SECURITIES LLC
COWEN AND COMPANY, LLC
As Representatives of the several Underwriters

c/o J.P. Morgan Securities LLC
383 Madison Avenue
4th Floor
New York, New York 10022

c/o Cowen and Company, LLC
599 Lexington Avenue
New York, New York 10022

Re: G1 Therapeutics, Inc. - Registration Statement on Form S-1 for Shares of Common Stock

Dear Mesdames and Sirs:

This Agreement is being delivered to you in connection with the proposed Underwriting Agreement (the "Underwriting Agreement") between G1 Therapeutics, Inc., a Delaware corporation (the "Company") and J.P. Morgan Securities LLC ("J.P. Morgan") and Cowen and Company, LLC ("Cowen"), as representatives (the "Representatives") of a group of underwriters (collectively, the "Underwriters"), to be named therein, and the other parties thereto (if any), relating to the proposed public offering of shares of the common stock, par value $0.0001 per share (the "Common Stock") of the Company.

In order to induce you and the other Underwriters to enter into the Underwriting Agreement, and in light of the benefits that the offering of the Common Stock will confer upon the undersigned in its capacity as a securityholder and/or an officer, director or employee of the Company, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with each Underwriter that, during the period beginning on the date hereof through and including the date that is the 90th day[1] after the date of the Underwriting Agreement (the "Lock-Up Period"), the undersigned will not, without the prior written consent of J.P. Morgan and Cowen, directly or indirectly, (i) offer, sell, assign, transfer, pledge, contract to sell, or otherwise dispose of, or announce the intention to otherwise dispose of, any shares of Common Stock (including, without limitation, Common Stock which may be

1 60th day with respect to specified shareholders.

deemed to be beneficially owned by the undersigned in accordance with the rules and regulations promulgated under the Securities Exchange Act of 1934, as the same may be amended or supplemented from time to time (such shares, the “Beneficially Owned Shares”)) or securities convertible into or exercisable or exchangeable for Common Stock, (ii) enter into any swap, hedge or similar agreement or arrangement that transfers in whole or in part, the economic risk of ownership of the Beneficially Owned Shares or securities convertible into or exercisable or exchangeable for Common Stock, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition, or (iii) engage in any short selling of the Common Stock or securities convertible into or exercisable or exchangeable for Common Stock.

The restrictions set forth in the preceding paragraphs shall not apply:

(1) if the undersigned is a natural person, any transfers made by the undersigned (a) as a bona fide gift to any member of the immediate family (as defined below) of the undersigned or to a trust the beneficiaries of which are exclusively the undersigned or members of the undersigned’s immediate family, (b) by will or intestate succession upon the death of the undersigned or (c) as a bona fide gift to a charity or educational institution,

(2) if the undersigned is a corporation, partnership, limited liability company or other business entity, any transfers to any stockholder, partner or member of, or owner of a similar equity interest in, the undersigned, as the case may be, if, in any such case, such transfer is not for value,

(3) if the undersigned is a corporation, partnership, limited liability company or other business entity, any transfer made by the undersigned (a) in connection with the sale or other bona fide transfer in a single transaction of all or substantially all of the undersigned’s capital stock, partnership interests, membership interests or other similar equity interests, as the case may be, or all or substantially all of the undersigned’s assets, in any such case not undertaken for the purpose of avoiding the restrictions imposed by this Agreement or (b) to another corporation, partnership, limited liability company or other business entity so long as the transferee is an affiliate (as defined below) of the undersigned and such transfer is not for value,

(4) to transactions relating to Common Stock or other securities convertible into or exercisable or exchangeable for Common Stock acquired in open market transactions after completion of the offering, provided that no such transaction is required to be, or is, publicly announced (whether on Form 4, Form 5 or otherwise) during the Lock-Up Period,

(5) to transactions relating to Common Stock acquired by the undersigned in the offering provided that no such transaction is required to be, or is, publicly announced (whether on Form 4, Form 5 or otherwise) during the Lock-Up Period, provided, further, that this sub-clause shall not apply if the undersigned is an officer or director of the Company,

(6) to the entry, by the undersigned, at any time on or after the date of the Underwriting Agreement, of any trading plan providing for the sale of Common Stock by the undersigned, which trading plan meets the requirements of Rule 10b5-1(c) under the Exchange Act (a “Plan”), provided, however, that such Plan does not provide for, or permit, the sale of any Common Stock during the Lock-Up Period and no public announcement or filing is voluntarily made or required regarding such Plan during the Lock-Up Period,

(7) to any transfers made by the undersigned to the Company to satisfy tax withholding obligations pursuant to the Company’s equity incentive plans or arrangements disclosed in the Prospectus (as defined in the Underwriting Agreement), provided no public announcement or filing is voluntarily made or required regarding such transfers during the Lock-Up Period,

(8) to any transfers made by the undersigned by operation of law, such as pursuant to a qualified domestic order or in connection with a divorce settlement, and

(9) to transactions relating to Common Stock of the undersigned pursuant to a Plan in effect as of the date hereof and disclosed to the Representatives; provided any filing under Section 16(a) of the Exchange Act as a result of such transaction will contain a footnote disclosing that such transactions were pursuant to a trading plan pursuant to Rule 10b5-1.

provided, however, that in the case of any transfer described in clause (1), (2) or (3) above, it shall be a condition to the transfer that (A) the transferee executes and delivers to J.P. Morgan and Cowen, acting on behalf of the Underwriters, not later than one business day prior to such transfer, a written agreement, in substantially the form of this Agreement (it being understood that any references to "immediate family" in the agreement executed by such transferee shall expressly refer only to the immediate family of the undersigned and not to the immediate family of the transferee) and otherwise satisfactory in form and substance to J.P. Morgan and Cowen, and (B) there shall be no required or voluntary filing of any reports under Section 16(a) of the Securities Exchange Act of 1934, as amended, or the rules promulgated thereunder, during the Lock-Up Period (as the same may be extended as described above). For purposes of this paragraph, "immediate family" shall mean a spouse, child, grandchild or other lineal descendant (including by adoption), father, mother, brother or sister of the undersigned; and "affiliate" shall have the meaning set forth in Rule 405 under the Securities Act of 1933, as amended.

For avoidance of doubt, nothing in this Agreement prohibits the (i) undersigned from exercising any options or warrants to purchase Common Stock (which exercises may be effected on a net or cashless basis to the extent the instruments representing such options or warrants permit exercises on a net or cashless basis), or (ii) vesting, delivery or settlement of restricted shares, restricted stock units or other awards granted to the undersigned pursuant to any of the Company's equity incentive plans in effect as of the date of the Underwriting Agreement, it being understood that any Common Stock issued upon such exercises, vesting, delivery or settlement will be subject to the restrictions of this Agreement.

Notwithstanding any other provision contained herein, the undersigned shall be permitted to make transfers, sales, tenders or other dispositions of Common Stock pursuant to a tender offer for securities of the Company or any other transaction, including, without limitation, a merger, consolidation or other business combination, involving a change of control of the Company (including, without limitation, entering into any lock-up, voting or similar agreement pursuant to which the undersigned may agree to transfer, sell, tender or otherwise dispose of Common Stock in connection with any such transaction, or vote any Common Stock in favor of any such transaction) that has been approved by the Board of Directors of the Company; provided that all Common Stock subject to this Agreement that are not so transferred, sold, tendered or otherwise disposed of remain subject to this Agreement; and, provided, further, that it shall be a condition to transfer, sale, tender or other disposition that if such tender offer or other transaction is not completed, any Common Stock subject to this Agreement shall remain subject to the restrictions herein.

In order to enable the restrictions set forth herein to be enforced, the undersigned hereby consents to the placing of legends or stop transfer instructions with the Company's transfer agent with respect to any Common Stock or securities convertible into or exercisable or exchangeable for Common Stock.

The undersigned further agrees that it will not, during the Lock-Up Period (as the same may be extended as described above), make any demand or request for or exercise any right with respect to the registration under the Securities Act of 1933, as amended, of any shares of Common Stock or other Beneficially Owned Shares or any securities convertible into or exercisable or exchangeable for Common Stock or other Beneficially Owned Shares.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this agreement and that this agreement has been duly authorized (if the undersigned is not a natural person), executed and delivered by the undersigned and is a valid and binding agreement of the undersigned. This Agreement and all authority herein conferred are irrevocable and shall survive the death or incapacity of the undersigned (if a natural person) and shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed in such state.

If (i) the Company, on the one hand, or the Representatives, on the other hand, advise(s) the other in writing that it does not intend to proceed with the Offering, (ii) the Underwriting Agreement is not executed by May 31, 2018, or (iii) the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated for any reason prior to payment for and delivery of any Common Stock to be sold thereunder, then this Agreement shall immediately be terminated and the undersigned shall automatically be released from all of his or her obligations under this Agreement. The undersigned acknowledges and agrees that whether or not any public offering of Common Stock actually occurs depends on a number of factors, including market conditions.

[Signature page follows]

Very truly yours,

____
(Name of Stockholder - Please Print)

____
(Signature)

____
(Name of Signatory if Stockholder is an entity - Please Print)

____
(Title of Signatory if Stockholder is an entity - Please Print)

Address: ______________________________

____

____

[*Signature Page to Lock-up Agreement*]

EXHIBIT II-A

Form of Company Counsel Opinion

EXHIBIT II-B

Form of Company Counsel 10b-5 Statement

Exhibit III

Opinion of Intellectual Property Counsel to the Company

Exhibit 5.1

MINTZ LEVIN

One Financial Center
Boston, MA 02111
617-542-6000
617-542-2241 fax
www.mintz.com

March 5, 2018

G1 Therapeutics, Inc.
79 T.W. Alexander Drive
4501 Research Commons, Suite 100
Research Triangle Park, NC 27709

Ladies and Gentlemen:

We have acted as legal counsel to G1 Therapeutics, Inc., a Delaware corporation (the "Company"), in connection with the preparation and filing with the Securities and Exchange Commission (the "Commission") of a Registration Statement (No. 333-   ) on Form S-1 (the "Registration Statement"), pursuant to which the Company is registering the offering for sale under the Securities Act of 1933, as amended (the "Securities Act"), of an aggregate of 3,450,000 shares (the "Shares") of the Company's common stock, par value $0.0001 per share (the "Common Stock"), including 450,000 shares subject to the underwriters' option to purchase additional shares.

The Shares are to be sold by the Company pursuant to an underwriting agreement (the "Underwriting Agreement") to be entered into by and among the Company and J.P. Morgan Securities LLC and Cowen and Company, LLC, as representatives of the several underwriters to be named therein. The form of the Underwriting Agreement has been filed as Exhibit 1.1 to the Registration Statement. This opinion is being rendered in connection with the filing of the Registration Statement with the Commission.

In connection with this opinion, we have examined the Company's Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, each as currently in effect, and the form of the Underwriting Agreement; such other records of the corporate proceedings of the Company and certificates of the Company's officers as we have deemed relevant; and the Registration Statement and the exhibits thereto.

In our examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such copies.

Our opinion is limited to the General Corporation Law of the State of Delaware and we express no opinion with respect to the laws of any other jurisdiction. No opinion is expressed herein with respect to the qualification of the Shares under the securities or blue sky laws of any state or any foreign jurisdiction.

Please note that we are opining only as to the matters expressly set forth herein, and no opinion should be inferred as to any other matters. This opinion is based upon currently existing statutes, rules, regulations and judicial decisions, and we disclaim any obligation to advise you of any change in any of these sources of law or subsequent legal or factual developments which might affect any matters or opinions set forth herein.

Based upon the foregoing, we are of the opinion that the Shares, when issued and sold in accordance with the form of the Underwriting Agreement most recently filed as an exhibit to the Registration Statement and the prospectus that forms a part of the Registration Statement, will be validly issued, fully paid and non-assessable.

We understand that you wish to file this opinion with the Commission as an exhibit to the Registration Statement in accordance with the requirements of Item 601(b)(5) of Regulation S-K promulgated under the Securities Act and to reference the firm's name under the caption "Legal Matters" in the prospectus which forms part of the Registration Statement, and we hereby consent thereto. In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ Mintz, Levin, Cohn, Ferris,
Glovsky and Popeo, P.C.

Mintz, Levin, Cohn, Ferris,
Glovsky and Popeo, P.C.

THIRD AMENDMENT TO OFFICE LEASE

This Third Amendment to Office Lease ("Amendment") is made effective as of January 31, 2018, by and between **RALEIGH RC GREEN, LLC**, a Delaware limited liability company ("Landlord") and **G1 THERAPEUTICS, INC.**, a Delaware corporation ("Tenant") with reference to the following facts and circumstances.

A. Landlord is the owner of that certain building located at 4501 Research Commons, 79 TW Alexander Drive, Research Triangle, NC 27709 (the "Building").

B. Highwoods Realty Limited Partnership, predecessor in interest to Landlord, and Tenant entered into that certain Office Lease dated January 10, 2014, as amended by that certain First Amendment to Office Lease dated January 27, 2016 (the "First Amendment") and by that certain Second Amendment to Office Lease dated March 27, 2017 (the "Second Amendment"), (collectively, the "Lease") for certain premises containing approximately 14,103 rentable square feet (the "Existing Premises") located in the Building.

C. Landlord and Tenant desire to amend the Lease upon terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing facts and circumstances, the mutual covenants and promises contained herein and after good and valuable consideration, the receipt and sufficiency of which is acknowledged by each of the parties, the parties do hereby agree to the following:

1. Definitions. Each capitalized term used in this Amendment shall have the same meaning as is ascribed to such capitalized term in the Lease, unless otherwise provided for herein.

2. Premises.

(a) Effective as of the date of the full execution of this Amendment and continuing during the construction of the 250 Tenant Improvements until the date which is three (3) business days following the Suite 250 Expansion Date (the "Temporary Space Term"), Tenant shall have the right to occupy temporary space consisting of 1,598 rentable square feet in the Building currently known as Suite 190, as shown on Exhibit A, attached hereto (for the purposes of this paragraph 2(a) the "Temporary Space"). Tenant acknowledges that for the purposes of this paragraph 2(a) Tenant accepts the Temporary Space in its current as-is condition, without any obligation on the part of Landlord to prepare the Temporary Space for Tenant's temporary occupancy. During the Temporary Space Term, the Temporary Space shall be subject to all the terms and conditions as would apply if the Temporary Space were included in the Premises demised by the Lease, except that Tenant shall not be required to pay Base Rent or Additional Rent with respect to the Temporary Space.

(b) Effective as of the date of Substantial Completion of the 250 Tenant Improvements, in accordance with and as such term is defined in the Work Letter attached hereto as Exhibit B, in the Suite 250 only (the "Suite 250 Expansion Date"), the Premises shall be further expanded to include an additional 4,797 rentable square feet in the Building known as Suite 250, as shown on Exhibit C, attached hereto, (the "Suite 250 Expansion Premises") for a total of 18,900 rentable square feet. Subject to Tenant Delay (as such term is defined in the Work Letter attached hereto as Exhibit B) and delays caused by events of force majeure, the Landlord shall use commercially reasonable efforts to substantially complete the Tenant Improvements in the Suite 250 Expansion Premises no later than the date which is one hundred thirty five (135) days following the date of full execution of this Amendment (the “250 Target Completion Date”). If the Suite 250 Expansion Date has not occurred on or before on or before the date which is one hundred ninety-five (195) days following the date of full execution of this Amendment (the “250 Outside Date”) and such delay was not caused by a Tenant Delay or an event of force majeure, the Tenant shall, as its sole and exclusive remedy, receive one (1) day of abated Base Rent for the Suite 250 Expansion Premises only for each day between the 250 Outside Date and the Suite 250 Expansion Date. Within three (3) business days following substantial completion of the 250 Tenant Improvements, Tenant will surrender the Temporary Space to Landlord so that Landlord can perform the 190 Tenant Improvements (hereinafter defined). From and after the Suite 250 Expansion Date, the term Premises shall include the Suite 250 Expansion Premises unless the context requires otherwise.

(c) Effective as of the date of Substantial Completion of the 190 Tenant Improvements, in accordance with and as such term is defined in the Work Letter attached hereto as Exhibit B, in the Suite 190 Premises only (the “Suite 190 Expansion Date”), the Premises shall be further expanded to include an additional 1,598 rentable square feet in the Building known as Suite 190, as shown on Exhibit A, attached hereto, (the “Suite 190 Expansion Premises”) for a total of 20,498 rentable square feet. Subject to Tenant Delay (as such term is defined in the Work Letter attached hereto as Exhibit B) and delays caused by events of force majeure, the Landlord shall use commercially reasonable efforts to substantially complete the Tenant Improvements in the Suite 190 Expansion Premises no later than the date which is one hundred thirty five (135) days following the expiration of the Temporary Space Term (the “190 Target Completion Date”). If the Suite 190 Expansion Date has not occurred on or before on or before the date which is one hundred ninety-five (195) days following the expiration of the Temporary Space Term (the “190 Outside Date”) and such delay was not caused by a Tenant Delay or an event of force majeure, the Tenant shall, as its sole and exclusive remedy, receive one (1) day of abated Base Rent for the Suite 190 Expansion Premises only for each day between the 190 Outside Date and the Suite 190 Expansion Date. From and after the Suite 190 Expansion Date, the term Premises shall include the Suite 190 Expansion Premises and the Suite 250 Expansion Premises unless the context requires otherwise.

3. Term. The term of the Lease for the Suite 190 Expansion Premises and Suite 250 Expansion Premises shall be coterminous with the Term for the Existing Premises, ending on December 31, 2022. The renewal option set forth in Section 8 of the First Amendment shall remain in full force and effect.

4. Base Rent. Base Rent for the Premises shall be as follows:

(a) Effective as of the Suite 250 Expansion Date, Base Rent for the Suite 250 Expansion Premises only, shall be payable as follows:

Months	**Monthly Installment**	**Annual**
Suite 250 Expansion Date-July 31, 2018	$8,234.85	$98,818.20*
August 1, 2018 – July 31, 2019	$8,481.90	$101,782.75
August 1, 2019 – July 31, 2020	$8,736.35	$104,836.23
August 1, 2020 – July 31, 2021	$8,998.44	$107,981.32
August 1, 2021 – July 31, 2022	$9,268.40	$111,220.75
August 1, 2022 – December 31, 2022	$9,546.45	$114,557.38*

*Annualized.

(b) Effective as of the Suite 190 Expansion Date, Base Rent for the Suite 190 Expansion Premises only, shall be payable as follows:

Months	Monthly Installment	Annual
Suite 190 Expansion Date-July 31, 2018	$2,743.23	$32,918.80*
August 1, 2018 – July 31, 2019	$2,825.53	$33,906.36
August 1, 2019 – July 31, 2020	$2,910.30	$34,923.55
August 1, 2020 – July 31, 2021	$2,997.61	$35,971.26
August 1, 2021 – July 31, 2022	$3,087.53	$37,050.40
August 1, 2022 – December 31, 2022	$3,180.16	$38,161.91*

*Annualized.

Nothing contained in this Section 4 shall alter Tenant's obligation to pay Base Rent for the Existing Premises in accordance with the terms of the Lease.

5. Tenant's Proportionate Share.

(a) Effective as of the Suite 250 Expansion Date, the term "Tenant's Proportionate Share" as defined in Section 5 of the Addendum Number Two of the Lease, as amended, shall be 32.04% as to the Building.

(b) Effective as of the Suite 190 Expansion Date, the term "Tenant's Proportionate Share" as defined in Section 5 of the Addendum Number Two of the Lease, as amended, shall be 34.74% as to the Building.

6. Base Year for Operating Expenses. Effective as of the Suite 250 Expansion Date and only as it relates to the period from and after such date, the term "Base Year" as defined in Section 6 of the Addendum Number Two, as amended, as it applies to the Premises (including Existing Premises, and the applicable Expansion Premises) shall be the calendar year 2018.

7. Base Year for Taxes. Effective as of the Suite 250 Expansion Date and only as it relates to the period from and after such date, the term "Base Year" as defined in Section 7 of the Addendum Number Two, as amended, as it applies to the Premises (including Existing Premises, and the applicable Expansion Premises) shall be the real property tax year 2018.

8. Parking.

(a) Effective as of the Suite 250 Expansion Date, Tenant shall be entitled to sixty-two (62) parking spaces at the Building on a non-exclusive, unreserved basis in common with other tenants of the Building. The parking provided for in this Section 8(a) is Tenant's total parking allocation at the Building and is not in addition to any other parking allocated to Tenant under the Lease, such other parking being of no further force and effect.

(b) Effective as of the Suite 190 Expansion Date, Tenant shall be entitled to eighty-one (81) total parking spaces at the Building on a non-exclusive, unreserved basis in common with other tenants of the Building. The parking provided for in this Section 8(b) is Tenant's total parking allocation at the Building and is not in addition to any other parking allocated to Tenant under the Lease or under this Amendment, such other parking being of no further force and effect.

9. Right to Relocate. Effective as of the date of the full execution of this Amendment, the relocation rights set forth in Section 26 of the Lease shall be deleted and of no further force and effect.

10. Right of First Refusal. Effective as of the date of the full execution of this Amendment, the rights granted Tenant under Section 9 of the First Amendment shall be null and void and of no further force and effect. Notwithstanding the above, the aforementioned section's deletion of Section 30(b) of the Lease shall remain in force as an effective deletion of such Section 30(b) of the Lease.

11. Right of First Offer. Provided that at the time of exercise Tenant is not then in default beyond any applicable notice and cure periods, Tenant shall have a one time right of first offer with respect to any space in the Building on the first, second or third floors that may become available (the "ROFO Space"), provided at least three (3) years remain under the Extended Term.

Landlord shall notify Tenant in writing ("Landlord's ROFO Notice") no later than fifteen (15) days after the ROFO Space becomes legally available to lease, or at Landlord's option, such earlier time as Landlord shall be in a position to project when the ROFO Space will be legally available to lease, advising Tenant of such projected date. Tenant shall then have fifteen (15) days in which to notify Landlord in writing exercising Tenant's right to lease the ROFO Space on the terms described herein. If Tenant exercises the right to lease the ROFO Space, Landlord and Tenant shall thereafter negotiate in good faith for a period of thirty (30) days a lease amendment adding the ROFO Space to the Premises under the Lease in accordance with the terms and conditions set forth in this Section 11. The right to lease the ROFO Space shall, at Landlord's election, be null and void if a default is then occurring beyond any applicable notice and cure period at the date Landlord would otherwise notify Tenant of the availability of the ROFO Space or at any time thereafter and prior to commencement of the lease for the ROFO Space.

If Tenant exercises this right of first offer, the ROFO Space shall be added to the Premises on the terms contained in the Lease, except that (a) the Base Rent for the ROFO Space shall be the Fair Market Rent for such space; and (b) the parties shall negotiate (i) any tenant improvements or improvement allowance for the ROFO Space as an element of the determination of the Fair Market Rent for the ROFO Space; and (ii) a work letter addressing the procedure for preparation and approval of the plans for any tenant improvements in the ROFO Space, as well as the construction thereof. "Fair Market Rent" shall be determined in accordance with the same procedure detailed in Section 8 of the First Amendment.

If the parties are unable to agree upon the Market Rent and other terms by the end of the thirty (30) day negotiation period described above, then the disagreement shall be promptly submitted to arbitration in the same manner as provided in Section 8 of the First Amendment.

When the parties agree on a Market Rate (or when the Market Rate is determined pursuant to arbitration as set forth in the preceding paragraph, as applicable) then such agreements shall be placed in writing as an amendment to this Lease and shall be signed by the parties hereto not later than the date which is the earlier of (i) ninety (90) days following Tenant's exercise of this right of first offer and (ii) ten (10) days prior to the effective date of any expansion of the Premises and shall thereupon become a part of this Lease. Notwithstanding the foregoing, a failure or refusal of Tenant to timely execute such amendment shall not serve to relieve Tenant from its obligations under this Section 11 and Tenant's exercise of its rights under this Section 11 are and shall be deemed binding on Tenant at the time of such exercise.

The foregoing right shall apply only with respect to the entire ROFO Space described in Landlord's ROFO Notice and may not be exercised with respect to only a portion thereof, unless only a portion thereof shall first become available (in which case, the foregoing expansion right shall apply to such portions of the ROFO Space, as the same become legally available to lease). If Tenant shall fail to exercise such expansion right, after notice by Landlord of the availability of the ROFO Space described in the applicable Landlord's ROFO Notice, as provided herein, such right shall be deemed to have lapsed and expired and shall be of no further force or effect with respect to such portion of the ROFO Space. Landlord may thereafter freely lease all or a portion of the ROFO Space described in the applicable Landlord's ROFO Notice to any other party, at any time, on any terms, in Landlord's sole discretion. The foregoing expansion right shall be subject to the existing tenants' or occupants' of the ROFO Space renewing their existing leases, whether pursuant to an option to extend previously granted or otherwise, and in all events is subject and subordinate to any existing rights of any other parties to lease the ROFO Space, if such existing rights have already been granted prior to the date of this Amendment.

If Tenant shall exercise the expansion right granted herein, Landlord does not guarantee that the ROFO Space will be available on the commencement date for the lease thereof, and Landlord shall not be in default of its obligations hereunder, if the then-existing occupants of the ROFO Space shall hold over, or if the ROFO Space is not available for any other reason beyond Landlord's reasonable control. In such event, rent with respect to the ROFO Space shall be abated until Landlord legally delivers the same to Tenant, as Tenant's sole recourse. Tenant's exercise of such expansion right shall not operate to cure any default, nor to extinguish or impair any rights or remedies of Landlord arising by virtue of such default.

If the Lease or Tenant's right to possession of the Premises shall terminate in any manner whatsoever before Tenant shall exercise the right herein provided, or if Tenant shall have subleased or assigned all or any portion of the Premises (other than a Permitted Transfer), then immediately upon such termination, sublease, or assignment, the expansion right herein granted shall simultaneously terminate and become null and void. Such right is personal to Tenant and non-transferable (other than in connection with a Permitted Transfer). UNDER NO CIRCUMSTANCES WHATSOEVER SHALL THE ASSIGNEE UNDER A COMPLETE OR PARTIAL ASSIGNMENT OF THE LEASE, OR A SUBTENANT UNDER A SUBLEASE OF THE PREMISES, HAVE ANY RIGHT TO EXERCISE THE EXPANSION RIGHT GRANTED HEREIN.

12. Signage. For each applicable Expansion Premises, Landlord will furnish building standard identification signage on the interior Building directory, if applicable, and on or beside the main entrance door to such Expansion Premises. Additionally, Tenant shall have the non-exclusive right, at Tenant's sole cost and expense, to install one (1) tenant identification sign on the exterior façade of the Building in a size, location and design reasonably acceptable to Landlord and Tenant (the "Exterior Façade Signage Rights").

Such Exterior Façade Signage Rights shall be subject to all applicable local building codes and receipt of required permits from any applicable governmental authorities, at Tenant's sole cost and expense.

13. No Defenses. Tenant affirms that, as of the date of execution of this Amendment: (a) no default or breach by Landlord exists under the Lease; (b) all tenant improvements to be constructed by Landlord prior to the date of this Amendment, if any, are complete and Tenant has accepted the Premises in "as is, where is" condition as of the date of this Amendment; (c) Landlord has fully funded or Tenant has waived any unfunded tenant improvement allowances payable under the Lease; and (d) Tenant has no current defenses, offsets or counterclaims that could be asserted in an action by Landlord to enforce Landlord's remedies under the Lease.

14. Landlord Representations and Warranties. The Landlord representation and warranties set forth in Section 31 of the Lease are incorporated herein by reference and hereby fully restated herein for the purpose of confirming all of such representations and warranties with respect to the Premises are also applicable and effective with respect to the Suite 190 Expansion Premises and the Suite 250 Expansion Premises as of the date of this Amendment, except the representation made in Section 31(iii), which is not restated and Landlord shall not be deemed to have made any representation with regard to the matters addressed in such Section 31(iii). In addition, Landlord represents and warrants that as of the date of this Amendment the entire interior of the Building and any existing or future exterior common areas that are within twenty five (25) feet of the Building have been designated as non-smoking and that Landlord has informed all other tenants and occupants of the Building of this designation (provided such designation does not apply to the exterior areas that are more than twenty five (25) feet from the Building). Landlord represents and warrants that Landlord will make commercially reasonably efforts to complete certain renovations and repairs to the lobby and common corridor areas of the Building in accordance with Building standards on or before June 30, 2018.

15. Broker. Each party represents to the other that except for CBRE, Inc., representing Landlord, and Cushman & Wakefield, representing Tenant, (collectively, the "Brokers"), neither party has dealt with any real estate broker, salesperson or finder in connection with this Amendment, and no other such person initiated or participated in the negotiation of this Amendment or is entitled to any commission in connection herewith. Each party hereby agrees to indemnify, defend and hold the other, its property manager and their respective employees harmless from and against any and all liabilities, claims, demands, actions, damages, costs and expenses (including attorneys fees) arising from either (a) a claim for a fee or commission made by any broker, other than the Brokers, claiming to have acted by or on behalf of the indemnifying party in connection with this Amendment, or (b) a claim of, or right to lien under the statutes of the state in which the Premises are located relating to real estate broker liens with respect to any such broker retained by the indemnifying party.

16. Submission. Submission of this Amendment by Landlord to Tenant for examination and/or execution shall not in any manner bind Landlord or Tenant and no obligations of Landlord or Tenant shall arise under this Amendment unless and until this Amendment is fully signed and delivered by Landlord and Tenant.

17. Miscellaneous.

a. Time of Essence. Time is of the essence of this Amendment and each and every term and provision hereof.

b. Modification. A modification of any provision herein contained, or any other amendment to this Amendment, shall be effective only if the modification or amendment is in writing and signed by both Landlord and Tenant.

c. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

d. Number and Gender. As used in this Amendment, the neuter includes masculine and feminine, and the singular includes the plural.

e. Construction. Headings at the beginning of each Section and subsection are solely for the convenience of the parties and are not a part of this Amendment. Except as otherwise provided in this Amendment, all exhibits referred to herein are attached hereto and are incorporated herein by this reference. Unless otherwise indicated, all references herein to Articles, Section, subsections, paragraphs, subparagraphs or provisions are to those in this Amendment. Any reference to a paragraph or Section herein includes all subparagraphs or subsections thereof. This Amendment shall not be construed as if it had been prepared by only Landlord or Tenant, but rather as if both Landlord and Tenant had prepared the same. In the event any portion of this Amendment shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Amendment, and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal or unenforceable portion had never been part of this Amendment.

f. Integration of Other Agreements. This Amendment, the Lease and prior amendments set forth the entire agreement and understanding of the parties with respect to the matters set forth herein and supersedes all previous written or oral understandings, agreements, contracts, correspondence and documentation with respect thereto. Any oral representation or modifications concerning this Amendment shall be of no force or effect.

g. Duplicate Originals; Counterparts. This Amendment may be executed in any number of duplicate originals, all of which shall be of equal legal force and effect. Additionally, this Amendment may be executed in counterparts, but shall become effective only after a counterpart hereof has been executed by each party; all said counterparts shall, when taken together, constitute the entire single agreement between parties.

h. No Waiver. No failure or delay of either party in the exercise of any right given to such party hereunder shall constitute a waiver thereof unless the time specified herein for exercise of such right has expired, nor shall any single or partial exercise of any right preclude other or further exercise thereof or of any other right. No waiver by any party hereto of any breach or default shall be considered to be a waiver of any other breach or default. The waiver of any condition shall not constitute a waiver of any breach or default with respect to any covenant, representation or warranty.

i. Further Assurances. Landlord and Tenant each agree to execute any and all other documents and to take any further actions reasonably necessary to consummate the transactions contemplated hereby.

j. <u>No Third Party Beneficiaries</u>. Except as otherwise provided herein, no person or entity shall be deemed to be a third party beneficiary hereof, and nothing in this Amendment, (either expressed or implied) is intended to confer upon any person or entity, other than Landlord and/or Tenant (and their respective nominees, successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Amendment.

k. <u>Full Force and Effect</u>. The Lease, as amended hereby, shall continue in full force and effect, subject to the terms and provisions thereof and hereof. In the event of any conflict between the terms of the Lease and the terms of this Amendment, the terms of this Amendment shall control.

IN WITNESS WHEREOF, this Amendment is executed as of the day and year aforesaid.

LANDLORD:

RALEIGH RC GREEN, LLC

By: /s/ Barry P. Marcus
Barry P. Marcus, Senior Vice President

Date: February 5, 2018

TENANT:

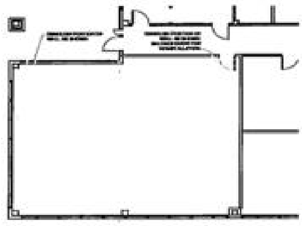
G1 THERAPEUTICS, INC.

By: /s/ Mark A. Velleca
Printed Name: Mark A. Velleca
Title: Chief Executive Officer

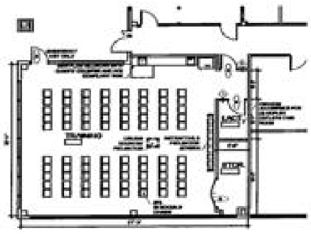
Date: January 31, 2018

EXHIBIT A

SUITE 190 EXPANSION PREMISES



SUITE 190 DEMO PLAN



SUITE 190 CONCEPT

EXHIBIT B

WORK LETTER

This Work Letter (this “Work Letter”) is attached to and made a part of that certain Third Amendment to Office Lease (the “Amendment”), between **RALEIGH RC GREEN, LLC**, a Delaware limited liability company (“Landlord”) and **G1 THERAPEUTICS, INC.** (“Tenant”). The terms used in this Work Letter that are defined in the Amendment shall have the same meanings as provided in the Amendment.

1. Definitions.

(a) “Approved Working Drawings” shall have the meaning set forth in Section 5(c) below.

(b) “Excess Costs” shall mean Total Construction Costs in excess of the Allowance.

(c) “Initial Allowance” shall mean a one-time tenant improvement allowance in an amount not to exceed $159,875.00. In the event the Total Construction Costs exceed the Initial Allowance, Landlord shall make an additional allowance available to Tenant of up to $95,925.00 (the “Additional Allowance”); provided that any portion of the Additional Allowance that is used shall increase the Base Rent based on an amortization over the period commencing on the Suite 250 Expansion Date and ending on December 31, 2022 on a straight-line basis, together with interest thereon at eight percent (8%) per annum. The Test-Fit Allowance shall mean a one-time tenant improvement allowance in the amount of $767.40 to be applied toward the costs of one test-fit for the Tenant Improvements. The “Allowance” shall mean the Initial Allowance, the Additional Allowance and the Test Fit Allowance.

(d) “Substantial Completion” of the Suite 190 Expansion Premises and Suite 250 Expansion Premises shall occur upon the completion of construction of the Tenant Improvements in either the Suite 190 Expansion Premises or the Suite 250 Expansion Premises, as the case may be, pursuant to the Approved Working Drawings, with the exception of any punchlist items and any tenant fixtures, work-stations, built-in furniture, or equipment to be installed by Tenant. Substantial Completion shall have occurred even though (a) minor details of construction, decoration, landscaping or mechanical adjustments remain to be completed and/or b) there is a delay in the Substantial Completion of the Suite 190 Expansion Premises and/or Suite 250 Expansion Premises due to a “Tenant Delay” as defined below. It is hereby acknowledge that the Tenant Improvements will be performed in a staggered manner and Substantial Completion of the Suite 250 Expansion Premises and Suite 190 Expansion Premises shall occur at different times.

(e) “Tenant Delay” shall mean each day of delay in the performance of the work that occurs because of (i) Tenant’s failure to timely deliver or approve any required documentation; (ii) any change by Tenant to the Approved Working Drawings; (iii) any specification by Tenant of materials or installations in addition to or other than Landlord’s standard finish-out materials or Tenant’s requirement for materials, components, finishes or improvements that are not available in a commercially reasonable time; (iv) postponement of any work at the request of Tenant; (v) the failure by Tenant’s architect, space planner or other agent or contractor, to timely prepare plans, pull permits, provide approvals or perform any other act required hereunder; (vi) the failure of Tenant to pay, when due, any amounts required to be paid by Tenant; (vii) Tenant’s failure to attend any meeting with Landlord, any architect, design professional, or any contractor, or their respective employees or representatives, as may be required or scheduled hereunder or otherwise necessary in connection with the preparation or completion of any construction documents, such as the Approved Working Drawings, or in connection with the performance of any work; (viii) a breach by Tenant of this Exhibit or the Amendment; (ix) changes in any of the Approved Working Drawings because the same do not comply with Laws (if the same were prepared by Tenant); and (x) any other acts or omissions of Tenant. Notwithstanding anything contained in this Amendment of the Lease to the contrary, in the event of a Tenant Delay, the then applicable Expansion Date and the payment of Base Rent for the then applicable Expansion Premises shall be accelerated by the number of days of such delay.

(f) "Tenant Improvements" shall mean the improvements to the Suite 190 Expansion Premises and Suite 250 Expansion Premises set forth in this Exhibit B, sometimes referred to in this Amendment as the "190 Tenant Improvements" or the "250 Tenant Improvements" respectively.

(g) "Tenant's Representative" shall mean Jen Moses, who Tenant has appointed as its representative with full power and authority to bind Tenant for all actions taken with regard to the Tenant Improvements. Tenant hereby ratifies all actions and decisions with regard to the Tenant Improvements that the Tenant's Representative may have taken or made prior to the execution of this Work Letter. Landlord shall not be obligated to respond to or act upon any plan, drawing, change order or approval or other matter relating to the Tenant Improvements until it has been executed by Tenant's Representative or a senior officer of Tenant. Neither Tenant nor Tenant's Representative shall be authorized to direct Landlord's general contractor with respect to the Tenant Improvements, unless otherwise agreed to in writing by Landlord. In the event that Landlord's general contractor performs any such work under the direction of Tenant or Tenant's Representative, then Landlord shall have no liability for the cost of such work, the cost of corrective work required as a result of such work, any delay that may result from such work, or any other problem in connection with such work.

(h) "Total Construction Costs" shall mean the entire cost of constructing the Tenant Improvements, including space planning and preparation of the Approved Working Drawings, labor and materials, electrical and other utility usage during construction, additional janitorial services, trash removal, general tenant signage, related taxes and insurance costs, the fees of any construction managers and an administrative fee to Landlord in an amount not to exceed 5% of Total Construction Costs.

2. Allowance and Excess Costs Deposit.

(a) Provided no default has occurred, Landlord shall provide an amount up to the Allowance to be applied toward Total Construction Costs. The Allowance must be used within twelve (12) months following the date of full execution of this Amendment or shall be deemed forfeited with no further obligation by Landlord with respect thereto. All Tenant Improvements for which the Allowance has been made available shall be deemed Landlord's property. Tenant shall not be entitled to use any portion of the Allowance for anything other than Tenant Improvements.

(b) In no event shall Landlord be obligated to make disbursements with respect to the Tenant Improvements in an amount that exceeds the Allowance. The Allowance shall not be disbursed to Tenant, but shall be applied by Landlord to the payment of the Total Construction Costs, if, as, and when the cost of the Tenant Improvements is actually incurred.

(c) Upon the later to occur of Tenant's execution of this Amendment or the date the Excess Costs have been determined and approved, Tenant shall deliver to Landlord cash in the amount equal the Excess Costs (the "Excess Costs Deposit"). In the event that after such deposit by Tenant, any revisions, changes, or substitutions shall be made to the Approved Working Drawings or the Tenant Improvements, Tenant shall pay any additional costs that arise in connection with such revisions, changes or substitutions to Landlord immediately upon Landlord's request as an addition to the Excess Costs Deposit.

(d) Landlord shall disburse the Excess Costs Deposit prior to the disbursement of the Allowance.

3. Punchlist. Landlord will notify Tenant when Landlord considers Substantial Completion of the applicable Expansion Premises to have occurred. Within five (5) business days thereafter, Landlord's representative and Tenant's representative shall conduct a walk-through of the applicable Expansion Premises and identify any necessary touch-up work, repairs and minor completion items that are necessary for final completion of the Tenant Improvements (the "Punchlist Items"). Neither Landlord's representative nor Tenant's representative shall unreasonably withhold his or her agreement on Punchlist Items. Landlord shall use commercially reasonable efforts to complete all Punchlist Items within thirty (30) days after agreement thereon.

4. Miscellaneous.

(a) Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until Landlord approves the document.

(b) Notwithstanding any provision to the contrary contained in this Amendment, if a default has occurred at any time prior to Substantial Completion, then (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right to cause the contractor to cease the construction of the applicable Expansion Premises (in which case, Tenant shall be responsible for any delay in Substantial Completion caused by such work stoppage); and (ii) all other obligations of Landlord under the terms of this Exhibit shall be forgiven until such time, if any, as such default may be cured.

5. Preparation of Working Drawings.

(a) Landlord shall retain an architect/space planner ("Architect") to prepare the construction drawings for the Tenant Improvements, along with an engineering consultant ("Engineer") to prepare all plans and engineering working drawings related to the structural, mechanical, electrical, plumbing, HVAC, life-safety, and sprinkler work for the Tenant Improvements.

(b) Within a reasonable time following full execution of this Amendment, Landlord shall prepare a space plan for the Tenant Improvements (the "Space Plans"), and shall deliver the Space Plans to Tenant for Tenant's approval (which approval shall not be unreasonably withheld, delayed or conditioned). Tenant shall notify Landlord whether it approves the Space Plans within five (5) business days after Landlord's submission thereof. If Tenant disapproves of such Space Plans, then Tenant shall notify Landlord thereof specifying in reasonable detail the reasons for such disapproval. Landlord shall revise such Space Plans in accordance with Tenant's reasonable objections and submit the revised Space Plans to Tenant for its review and approval. Tenant shall notify Landlord in writing whether it approves of the revised Space Plans within five (5) business days after its receipt thereof. If Tenant fails to notify Landlord that it disapproves of the initial Space Plans within five (5) business days (or, in the case of revised Space Plans, within three (3) business days) after the submission thereof, then Tenant shall be deemed to have approved the Space Plans in question.

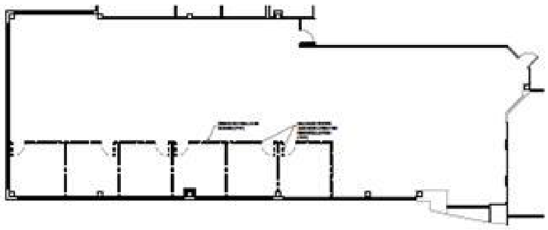
(c) Landlord shall cause the Architect and Engineer to prepare final working drawings of the Tenant Improvements and deliver the same to Tenant for its review and approval (which approval shall not be unreasonably withheld, delayed or conditioned). Tenant shall notify Landlord whether it approves of the submitted working drawings within five (5) business days after Landlord's submission thereof. If Tenant disapproves of such working drawings, then Tenant shall notify Landlord thereof specifying in reasonable detail the reasons for such disapproval. Landlord shall revise such working drawings in accordance with Tenant's objections and submit the revised working drawings to Tenant for its review and approval. Tenant shall notify Landlord in writing whether it approves of the revised working drawings within five (5) business days after its receipt thereof. If Tenant fails to notify Landlord that it disapproves of the initial working drawings within five (5) business days (or, in the case of resubmitted working drawings, within three (3) business days) after the submission thereof, then Tenant shall be deemed to have approved the working drawings in question. The approved working drawings are hereinafter referred to as the "Approved Working Drawings."

6. Cost Proposal. Landlord shall provide Tenant with a cost proposal in accordance with the Approved Working Drawings, which cost proposal shall include, as nearly as possible, the cost of the Total Construction Costs to be incurred in connection with the Tenant Improvements ("Cost Proposal"). Tenant shall notify Landlord whether it approves the Cost Proposal within five (5) business days after Landlord's submission thereof. If Tenant disapproves of the Cost Proposal, then Tenant shall notify Landlord thereof specifying in reasonable detail the revisions to the Approved Working Drawings to achieve the necessary cost savings. If Tenant fails to notify Landlord that it disapproves of the Cost Proposal within five (5) business days after the submission thereof, then Tenant shall be deemed to have approved the Cost Proposal as submitted. Tenant's approval of the Cost Proposal shall be deemed approval of the Excess Costs resulting therefrom.

7. Construction. Following approval of the Cost Proposal Landlord shall construct the Tenant Improvements in substantial accordance with the Approved Working Drawings.

EXHIBIT C

SUITE 250 EXPANSION PREMISES



SUITE 250 DEMO PLAN

SUITE 250 CONCEPT PLAN

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of G1 Therapeutics, Inc. of our report dated February 21, 2018 relating to the financial statements, which appears in such Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
Raleigh, North Carolina
March 5, 2018