UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2020

OR

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

For the transition period from _____ to _____.

Commission File Number: 001-38096

G1 THERAPEUTICS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**26-3648180**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

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

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

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

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

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

As of October 30, 2020, the registrant had 38,045,935 shares of common stock, $0.0001 par value per share, outstanding.

Table of Contents

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	September 30, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	$ 238,342	$ 269,208
Restricted cash	63	63
Prepaid expenses and other current assets	7,189	1,732
Total current assets	245,594	271,003
Property and equipment, net	2,621	3,538
Restricted cash	437	437
Operating lease assets	8,262	9,853
Other assets	1,318	—
Total assets	$ 258,232	$ 284,831
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 2,309	$ 3,684
Accrued expenses	15,662	15,403
Deferred revenue	14,031	—
Other current liabilities	957	682
Total current liabilities	32,959	19,769
Loan payable	19,673	—
Operating lease liabilities	8,128	9,535
Total liabilities	60,760	29,304
Stockholders' equity		
Common stock, $0.0001 par value, 120,000,000 shares authorized as of September 30, 2020 and December 31, 2019, respectively; 38,056,601 and 37,638,260 shares issued as of September 30, 2020 and December 31, 2019, respectively; 38,029,935 and 37,611,594 shares outstanding as of September 30, 2020 and December 31, 2019, respectively	4	4
Treasury stock, 26,666 shares	(8)	(8)
Additional paid-in capital	608,236	592,384
Accumulated deficit	(410,760)	(336,853)
Total stockholders' equity	197,472	255,527
Total liabilities and stockholders' equity	$ 258,232	$ 284,831

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
License revenue	$ 26,599	$ —	$ 28,739	$ —
Operating expenses:				
Research and development	17,932	22,941	56,897	64,510
General and administrative	18,412	11,083	44,230	27,979
Total operating expenses	36,344	34,024	101,127	92,489
Loss from operations	(9,745)	(34,024)	(72,388)	(92,489)
Other income (expense):				
Interest income	50	1,660	922	5,469
Interest expense	(757)	—	(1,022)	—
Other income (expense)	(291)	—	(488)	14
Total other income (expense), net	(998)	1,660	(588)	5,483
Loss before income taxes	(10,743)	(32,364)	(72,976)	(87,006)
Income tax expense	931	—	931	—
Net loss	$ (11,674)	$ (32,364)	$ (73,907)	$ (87,006)
Net loss per share, basic and diluted	$ (0.31)	$ (0.86)	$ (1.95)	$ (2.32)
Weighted average common shares outstanding, basic and diluted	38,009,204	37,540,380	37,819,071	37,469,952

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

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

	Common stock		Treasury stock		Additional paid-in capital	Accumulated deficit	Total stock-holders' equity
	Shares	Amount	Shares	Amount			
Balance at December 31, 2019	**37,638,260**	**$ 4**	**(26,666)**	**$ (8)**	**$ 592,384**	**$ (336,853)**	**$ 255,527**
Exercise of common stock options	125,666	—	—	—	219	—	219
Stock-based compensation		—	—	—	4,727	—	4,727
Net loss during quarter	—	—	—	—	—	(31,023)	(31,023)
Balance at March 31, 2020	**37,763,926**	**$ 4**	**(26,666)**	**$ (8)**	**$ 597,330**	**$ (367,876)**	**$ 229,450**
Exercise of common stock options	175,140	—	—	—	1,238	—	1,238
Stock-based compensation	—	—	—	—	4,367	—	4,367
Net loss during quarter	—	—	—	—	—	(31,210)	(31,210)
Balance at June 30, 2020	**37,939,066**	**4**	**(26,666)**	**(8)**	**602,935**	**(399,086)**	**203,845**
Exercise of common stock options	117,535	—	—	—	379	—	379
Stock-based compensation	—	—	—	—	4,922	—	4,922
Net loss during quarter	—	—	—	—	—	(11,674)	(11,674)
Balance at September 30, 2020	**38,056,601**	**4**	**(26,666)**	**(8)**	**608,236**	**(410,760)**	**197,472**

	Common stock		Treasury stock		Additional paid-in capital	Accumulated deficit	Total stock-holders' equity
	Shares	Amount	Shares	Amount			
Balance at December 31, 2018	**37,268,792**	**$ 4**	**(26,666)**	**$ (8)**	**$ 573,230**	**$ (214,406)**	**$ 358,820**
Exercise of common stock options	218,890	—	—	—	269	—	269
Stock-based compensation	—	—	—	—	3,804	—	3,804
Net loss during quarter	—	—	—	—	—	(23,952)	(23,952)
Balance at March 31, 2019	**37,487,682**	**$ 4**	**(26,666)**	**$ (8)**	**$ 577,303**	**$ (238,358)**	**$ 338,941**
Exercise of common stock options	42,925	—	—	—	678	—	678
Stock-based compensation	—	—	—	—	3,741	—	3,741
Net loss during quarter	—	—	—	—	—	(30,690)	(30,690)
Balance at June 30, 2019	**37,530,607**	**$ 4**	**(26,666)**	**$ (8)**	**$ 581,722**	**$ (269,048)**	**$ 312,670**
Exercise of common stock options	77,571	—	—	—	1,372	—	1,372
Stock-based compensation	—	—	—	—	4,441	—	4,441
Net loss during quarter	—	—	—	—	—	(32,364)	(32,364)
Balance at September 30, 2019	**37,608,178**	**$ 4**	**(26,666)**	**$ (8)**	**587,535**	**(301,412)**	**286,119**

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

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

	Nine Months Ended September 30,	
	2020	**2019**
Cash flows from operating activities		
Net loss	$ (73,907)	$ (87,006)
Adjustments to reconcile net loss to net cash used in operating activities		
Stock-based compensation	14,016	11,986
Depreciation and amortization	462	215
Loss on disposal of fixed assets	303	—
Amortization of debt issuance costs	351	—
Non-cash interest expense	161	—
Non-cash equity interest, net	(926)	—
Change in operating assets and liabilities		
Prepaid expenses and other assets	(4,316)	(772)
Accounts payable	(1,375)	2,574
Accrued expenses and other liabilities	(1,034)	3,443
Deferred revenue	14,031	—
Net cash used in operating activities	(52,234)	(69,560)
Cash flows from investing activities		
Proceeds from disposal of property and equipment	152	—
Purchases of property and equipment	—	(1,616)
Net cash provided/used in investing activities	152	(1,616)
Cash flows from financing activities		
Proceeds from stock options exercised	1,836	2,319
Proceeds from loan agreement	20,000	—
Payments of debt issuance costs	(620)	—
Net cash provided by financing activities	21,216	2,319
Net change in cash, cash equivalents and restricted cash	(30,866)	(68,857)
Cash, cash equivalents and restricted cash		
Beginning of period	269,708	369,290
End of period	$ 238,842	$ 300,433
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 509	—
Non-cash operating, investing and financing activities		
Upfront project costs and other current assets in accounts payable and accrued expenses	—	1,040
Purchases of equipment in accounts payable and accrued expenses	—	1,080
Operating lease liabilities arising from obtaining right-of-use asset	—	8,947

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

1. Business Description

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

The Company is advancing two clinical-stage programs. Trilaciclib is a first-in-class therapy designed to improve outcomes for patients who are treated with chemotherapy. Rintodestrant is a potential best-in-class oral selective estrogen receptor degrader (SERD) for the treatment of estrogen receptor-positive (ER+) breast cancer. In 2020, the Company out-licensed global rights to lerociclib, an internally discovered and differentiated oral CDK4/6 inhibitor designed to enable more effective combination treatment strategies across multiple oncology indications, including ER+, HER2-negative (HER2-) breast cancer. The Company also has intellectual property focused on cyclin-dependent kinase targets.

Trilaciclib, the Company's most advanced clinical-stage candidate, is a first-in-class therapy designed to preserve bone marrow and immune system function during chemotherapy and improve patient outcomes. The U.S. Food and Drug Administration (FDA) has granted Breakthrough Therapy Designation for trilaciclib based on myelopreservation data from three randomized, double-blind, placebo-controlled small cell lung cancer (SCLC) clinical trials, as well as safety data collected across all completed and ongoing clinical trials. The Breakthrough Therapy program is designed to expedite development and review of drugs intended for serious or life-threatening conditions. In August 2020, the FDA accepted the Company's New Drug Application (NDA) for trilaciclib in small cell lung cancer, granting Priority Review with a Prescription Drug User Fee Act (PDUFA) action date of February 15, 2021. The Company entered into a three-year co-promotion agreement for trilaciclib in the United States and Puerto Rico with Boehringer Ingelheim in June 2020. Under the terms of the agreement, the Company will book revenue in the United States and Puerto Rico and retain development and commercialization rights to trilaciclib. The Company will lead marketing, market access and medical engagement initiatives; Boehringer Ingelheim will lead sales force engagements. The agreement is limited to support for SCLC. In addition, discussions with European regulatory authorities have indicated existing data is sufficient to support a Marketing Authorization Application (MAA) to the European Medicines Agency (EMA) for trilaciclib for myelopreservation in SCLC, which the Company plans to pursue in collaboration with a partner. In September 2019, the Company presented updated data from a randomized Phase 2 trial of trilaciclib in combination with chemotherapy in metastatic triple-negative breast cancer (mTNBC). The results of the trial demonstrated significant improvement in overall survival, or OS (preliminary). Though the trial did not meet the primary myelopreservation endpoints, patients receiving trilaciclib were able to receive approximately 50% more cycles of chemotherapy, without additional hematological toxicity. These data were presented at the 2019 European Society for Medical Oncology (ESMO) Congress and were concurrently published in The Lancet Oncology. Updated safety and efficacy data from this trial have been accepted for presentation at the 2020 San Antonio Breast Cancer Symposium (SABCS), being held in December. The Company plans to initiate a registrational trial in mTNBC in 2021. In January 2020, the Company announced that trilaciclib is being included in a new randomized, investigational treatment arm for the ongoing I-SPY 2 TRIAL™ for neoadjuvant treatment of locally advanced breast cancer. The trial, which was initiated in the second quarter of 2020, and run by the non-profit Quantum Leap Healthcare Collaborative, is designed to rapidly screen promising experimental treatments and identify those most effective in specific patient subgroups based on molecular characteristics (biomarker signatures). The Company expects to enroll the first patient in its randomized, placebo-controlled Phase 3 trial of trilaciclib in colorectal cancer in the fourth quarter of 2020. In August 2020, the Company entered into an exclusive license agreement with Nanjing Simcere Dongyuan Pharmaceutical Co., Ltd ("Simcere") for development and commercialization rights for trilaciclib in all indications in Greater China (mainland China, Hong Kong, Macau and Taiwan). Under the terms of the agreement, the Company received an upfront payment of $14.0 million in September 2020, and will be eligible to receive up to $156.0 million in development and commercial milestone payments. Simcere will also pay the Company tiered low double-digit royalties on annual net sales of trilaciclib in Greater China. As part of this agreement, Simcere will participate in global clinical trials of trilaciclib and the companies will be responsible for all development and commercialization costs in their respective territories.

The Company is developing rintodestrant, a potential best-in-class oral SERD, as a monotherapy and in combination with CDK4/6 inhibitors, initially Ibrance® (palbociclib), for the treatment of ER+ breast cancer. In 2018, the Company initiated a Phase 1/2a (dose escalation/dose expansion) clinical trial in ER+, HER2- breast cancer. Preliminary data from the Phase 1 potion of this trial were presented at the 2019 ESMO Congress, showing that rintodestrant was well tolerated and demonstrated evidence of anti-tumor activity in heavily pre-treated patients. The Company has completed enrollment of the dose escalation and dose expansion portions of the trial, and based on these findings the Company plans to advance an 800 mg dose of rintodestrant in future trials. Updated monotherapy safety and efficacy data from this trial have been accepted for presentation at the 2020 SABCS. The Company has completed enrollment of patients receiving rintodestrant in combination with palbociclib, and expects to disclose initial safety and efficacy data in the second quarter of 2021. Palbociclib is being provided under a non-exclusive clinical supply agreement that was signed with Pfizer in February 2020.

Lerociclib is a differentiated oral CDK4/6 inhibitor being developed for use in combination with other targeted therapies in multiple oncology indications. In 2020, the Company entered into separate, exclusive agreements with EQRx, Inc. (rights for U.S., Europe, Japan and all markets outside Asia-Pacific) and Genor Biopharma Co. Inc. (rights for Asia-Pacific, excluding Japan) for the development and commercialization of lerociclib in all indications. Combined, these agreements provide $26.0 million in upfront payments to the Company, and up to $330.0 million in potential milestone payments, plus sales-based royalties. EQRx, Inc. and Genor Biopharma Co. Inc. are responsible for all costs related to the development and commercialization of lerociclib in their respective territories.

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

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

The information presented in the condensed financial statements and related notes as of September 30, 2020, and for the three and nine months ended September 30, 2020 and 2019, is unaudited. The results for the three and nine months ended September 30, 2020 are not necessarily indicative of the results expected for the full fiscal year or any future period. These interim financial statements should be read in conjunction with the financial statements and notes set forth in the Company’s Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 26, 2020, (the “2019 Form 10-K”). The December 31, 2019 condensed balance sheet included herein was derived from the audited financial statements as of that date, but does not include all disclosures, including notes, required by U.S. GAAP for complete financial statements. Certain amounts have been reclassified to conform to current presentation.

Use of Estimates

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

Revenue Recognition

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

assumptions may include revenue forecasts, clinical development timelines and costs, discount rates and probabilities of clinical and regulatory success.

Licenses of Intellectual Property

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

Milestone Payments

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

Royalties

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

Research and Development

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

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

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

Income Taxes

The Company did not record a federal or state income tax benefit related to its U.S. losses for the nine months ended September 30, 2020 due to its conclusion that a full valuation allowance is required against the Company's deferred tax assets.

Income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of assets and liabilities and their respective tax bases, operating loss carryforwards, and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Accounting for Income Taxes*, the Company reflects in the financial statements the benefit of positions taken in a previously filed tax return or expected to be taken in a future tax return only when it is considered 'more-likely-than-not' that the position taken will be sustained by a taxing authority. As of September 30, 2020 and December 31, 2019, the Company had no unrecognized income tax benefits and correspondingly there is no impact on the Company's effective income tax rate associated with these items. The Company's policy for recording interest and penalties relating to uncertain income tax positions is to record them as a component of income tax expense in the accompanying statements of operations. As of September 30, 2020 and December 31, 2019, the Company had no such accruals.

Stock-Based Compensation

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

Debt Issuance Costs

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

Coronavirus (COVID-19) Impact on Operations

The Company has implemented business continuity plans to address the COVID-19 pandemic and minimize disruptions to ongoing operations. Enrollment of patients in current and future clinical trials may be impacted by COVID-19. The Company does not anticipate significant supply chain delays or shortages as a result of the COVID-19 pandemic.

Recent Accounting Pronouncements

Recently Adopted Accounting Standards

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

3. Fair Value Measurements

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

Level 1 Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Unobservable inputs that reflect the Company's estimates of the assumptions that market participants would use in pricing the asset or liability. The Company develops these inputs based on the best information available, including its own data.

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

At September 30, 2020 and December 31, 2019 these financial instruments and respective fair values have been classified as follows (in thousands):

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)	Balance at September 30, 2020
Assets				
Money market funds	$ 221,157	$ —	$ —	$ 221,157
Certificates of Deposit	15,964	—	—	15,964
Total assets at fair value:	$ 237,121	$ —	$ —	$ 237,121

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)	Balance at December 31, 2019
Assets				
Money market funds	$ 252,563	$ —	$ —	$ 252,563
Certificates of Deposit	15,873	—	—	15,873
Total assets at fair value:	$ 268,436	$ —	$ —	$ 268,436

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

The Loan Payable (discussed in Note 7), which is classified as a Level 3 liability, has a variable interest rate and the carrying value approximates its fair value. As of September 30, 2020, the carrying value was $19.7 million.

4. Property and Equipment

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

	September 30, 2020	December 31, 2019
Computer equipment	327	332
Laboratory equipment	354	871
Furniture and fixtures	866	1,071
Leasehold improvements	1,782	1,941
Accumulated depreciation	(708)	(677)
Property and equipment, net	$ 2,621	$ 3,538

Depreciation expense relating to property and equipment was $145 thousand and $462 thousand for the three and nine months ended September 30, 2020, respectively, and $86 thousand and $215 thousand for the three and nine months ended September 30, 2019, respectively.

5. Patent License Agreement

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

The Company is also obligated to pay annual maintenance fees to the University. All annual minimum payments are fully creditable against any royalty payments made by the Company. Under the terms of the agreement, the Company must pay the University a royalty percentage on all net sales of products and a share of sublicensing revenues. In addition, the University is eligible to receive milestone payments of up to $2.6 million related to the initiation and execution of clinical trials and the first commercial sale of a product in another country. To date, the Company has made milestone payments totaling $0.6 million, of which $0 million was incurred during the current quarter. The Company will be responsible for any future patent prosecution costs that may arise.

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

6. Accrued Expenses

Accrued expenses are comprised as follows (in thousands):

	September 30, 2020	December 31, 2019
Accrued external research	$ 3,124	$ 2,737
Accrued professional fees and other	4,304	1,487
Accrued external clinical study costs	5,454	7,996
Accrued compensation expense	2,780	3,183
Accrued expenses	$ 15,662	$ 15,403

7. Loan Payable

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

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

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

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

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

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

Upon issuance, the first tranche was recorded as a liability with an initial carrying value of $19.4 million, net of debt discount and debt issuance costs. The initial carrying value will be accreted to the repayment amount, which includes the outstanding principal plus the end of term charge, through interest expense using the effective-interest method over the term of the debt. During the nine months ended September 30, 2020, the Company recognized $1.0 million of interest expense related to the Loan Agreement, which is reflected in other income (expense), net on the unaudited condensed statements of operations.

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

	Amount
Remainder of 2020	$ —
2021	—
2022	4,631
2023	9,972
2024	5,397
Total principal outstanding	20,000
End of term charge	226
Unamortized debt issuance costs	(553)
Total	19,673

8. Stockholders' Equity

Common Stock

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

Preferred Stock

The Company is authorized to issue 5.0 million shares of undesignated preferred stock in one or more series. As of September 30, 2020, no shares of preferred stock were issued or outstanding.

Shares Reserved for Future Issuance

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

	September 30, 2020	December 31, 2019
Common stock options outstanding	6,691,312	5,744,036
Options available for grant under Equity Incentive Plans	969,674	938,738
	7,660,986	6,682,774

9. Stock-Based Compensation

2011 Equity Incentive Plan

In March 2011, the Company adopted the 2011 Equity Incentive Plan (the "2011 Plan"). The 2011 Plan provided for the direct award or sale of the Company's common stock and for the grant of stock options to employees, directors, officers, consultants and advisors of the Company. The 2011 Plan was subsequently amended in August 2012, October 2013, February 2015, December 2015, April 2016 and November 2016 to allow for the issuance of additional shares of common stock. In connection with the adoption of the 2017 Plan (as defined below), the 2011 Plan was terminated and no further awards will be made under the 2011 Plan.

2017 Equity Incentive Plan

In May 2017, the Company adopted the 2017 Equity Incentive Plan (the "2017 Plan"). The 2017 Plan provided for the direct award or sale of the Company's common stock and for the grant of up to 1,932,000 stock options to employees, directors, officers, consultants and advisors of the Company. The 2017 Plan provides for the grant of incentive stock options, non-statutory stock options or restricted stock. Effective January 1, 2020, and in accordance with the "evergreen" provision of the 2017 Plan, an additional 1,096,553 shares were made available for issuance.

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

As of September 30, 2020, there were a total of 969,674 shares of common stock available for future issuance under the 2017 Plan.

Stock Option Expense

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

The Company calculates the fair value of stock options using the Black-Scholes option pricing model. The Black-Scholes option-pricing model requires the use of subjective assumptions, including the expected volatility of the Company's common stock, the

assumed dividend yield, the expected term of the Company's stock options and the fair value of the underlying common stock on the date of grant.

Stock options— Black-Scholes inputs

The fair value of stock options was estimated using the following weighted-average assumptions for the three and nine months ended September 30, 2020 and September 30, 2019:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Expected volatility	79.0 - 80.2%	74.4 - 77.1%	74.8-80.2%	74.2 - 82.1%
Weighted-average risk free rate	0.3-0.4%	1.4 - 1.9%	0.3-1.7%	1.4 - 2.6%
Dividend yield	—%	—%	—%	—%
Expected term (in years)	6.06	6.07	6.02	6.02

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Research and development	$ 1,733	$ 1,634	$ 5,367	$ 4,635
General and administrative	3,189	2,807	8,649	7,351
Total stock-based compensation expense	$ 4,922	$ 4,441	$ 14,016	$ 11,986

Stock Option Activity

Stock option activity for the nine months ended September 30, 2020 is as follows:

	Options outstanding	Weighted average exercise price	Weighted average Remaining contractual life (Years)	Weighted average Aggregate intrinsic value (in thousands)
Balance as of December 31, 2019	5,744,036	$ 16.88	7.5	$ 72,251
Cancelled	(572,420)	$ 31.96		
Granted	1,938,037	18.63		
Exercised	(418,341)	4.39		
Balance as of September 30, 2020	6,691,312	$ 16.88	7.5	$ 19,074
Exercisable at December 31, 2019	3,001,179	8.93	6.1	$ 58,797
Vested at December 31, 2019 and expected to vest	5,744,036	16.88	7.5	$ 72,251
Exercisable at September 30, 2020	3,451,036	12.11	6.1	$ 18,846
Vested at September 30, 2020 and expected to vest	6,691,312	16.88	7.5	$ 19,074

10. License Revenue

ARC License Agreement

On May 22, 2020, the Company entered into an exclusive license agreement with ARC Therapeutics, LLC ("ARC"), a company primarily owned by a related party, whereby the Company granted to ARC an exclusive, worldwide, royalty-bearing license, with the right to sublicense, solely to make, have made, use, sell, offer for sale, import, export, and commercialize products related to its cyclin dependent kinase 2 ("CDK2") inhibitor compounds. At close, the Company received consideration in the form of an upfront payment of $1.0 million and an equity interest in ARC equal to 10% of its issued and outstanding units. In addition, the Company may receive

a future development milestone payment totaling $2.0 million and royalty payments in the mid-single digits based on net sales of the licensed compound after commercialization. The Company has right of first negotiation to re-acquire these assets.

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

The Company considers the future potential development milestones and sales-based royalties to be variable consideration. The development milestone is excluded from the transaction price because it determined the payment to be fully constrained under ASC 606 due to the inherent uncertainty in the achievement of such milestone due to factors outside of the Company's control. As sales-based royalties are all related to the license of the intellectual property, the Company will recognize revenue in the period when subsequent sales are made pursuant to the sales-based royalty exception. The Company will re-evaluate the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur.

Genor License Agreement

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

Under the license agreement, Genor agreed to pay the Company a non-refundable, upfront cash payment of $6.0 million with the potential to pay an additional $40.0 million upon reaching certain development and commercial milestones. In addition, Genor will pay the Company tiered royalties ranging from high single to low double-digits based on annual net sales of lerociclib in the Genor Territory. The upfront cash payment was received in July 2020. In September 2020, the Company transferred to Genor the related technology and know-how that is necessary to develop, seek regulatory approval for, and commercialize lerociclib in the Genor Territory. Genor will be responsible for the development of the product in the Genor Territory and will be responsible, at its sole cost, for obtaining supply of lerociclib to meet its development, regulatory approval, and commercialization obligations under the agreement.

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

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

The Company then allocated the transaction price to the performance obligations based on the relative stand-alone selling price of each distinct obligation. The Company determined the stand-alone selling prices to equal the amounts paid for each performance obligation. Revenue is recognized for each performance obligation based at a point in time in which control has been transferred. The performance obligation for the transfer of the license and related technology and know-how does not occur until the delivery of the related know-how has been satisfied. This delivery occurred in September 2020 at which point $6.0 million was recognized as revenue. As of September 30, 2020, the delivery of existing inventory has not occurred, and no payment has been made. The delivery of existing inventory is expected to occur in the fourth quarter of 2020.

EQRx License Agreement

On July 22, 2020, the Company entered into an exclusive license agreement with EQRx, Inc. (“EQRx”) for the development and commercialization of lerociclib in the U.S., Europe, Japan and all other global markets, excluding the Asia-Pacific region (except Japan) (the “EQRx Territory”). Under the license agreement, the Company granted to EQRx an exclusive, royalty-bearing, non-transferable license, with the right to grant sublicenses, to develop, obtain, hold and maintain regulatory approvals for, and commercialize lerociclib in the EQRx Territory.

Under the license agreement, EQRx agreed to pay the Company a non-refundable, upfront cash payment of $20.0 million with the potential to pay an additional $290.0 million upon reaching certain development and commercial milestones. In addition, EQRx will pay the Company tiered royalties ranging from mid-single digits to mid-teens based on annual net sales of lerociclib in the EQRx Territory. The upfront cash payment was received in August 2020. In September 2020, the Company transferred to EQRx the related technology and know-how that is necessary to develop, seek regulatory approval for, and commercialize lerociclib in the EQRx Territory. EQRx will be responsible for the development of the product in the EQRx Territory. The Company will continue until completion, as the clinical trial sponsor, its two primary clinical trials at EQRx’s sole cost and expense. EQRx will reimburse the Company for all of its out-of-pocket costs incurred after the effective date of the license agreement in connection with these clinical trials. The Company will invoice EQRx within 30 days following the end of the quarter, and EQRx will pay within 30 days after its receipt of such invoice.

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

In accordance with ASC 606, the Company determined the transaction price at contract inception. The Company considers the future potential development and sales milestones, as well as the sales-based royalties to be variable consideration. The Company excluded the regulatory-based development and sales milestones from the transaction price because it determined such payments to be fully constrained under ASC 606 due to the inherent uncertainty in the achievement of such milestone payments and high susceptibility to factors outside our control. As the sales-based royalties are all related to the license of the intellectual property, the Company will recognize revenue in the period when subsequent sales are made pursuant to the sales-based royalty exception. We concluded that the reimbursement of costs incurred for the two primary clinical trials qualifies for the practical expedient under ASC 606, which allows the Company to recognize revenue in the amount for which we have a right to invoice if our right to consideration is an amount that corresponds directly to the value of performance completed to date. We, therefore, will not allocate that transaction price to the performance obligations. The Company will re-evaluate the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur. Based on the foregoing, the Company determined that the $20.0 million non-refundable, upfront payment and the $0.6 million owed upon delivery of existing inventory constituted the entirety of consideration to be included in the transaction price.

The Company then allocated the transaction price to the performance obligations based on the relative stand-alone selling price of each distinct obligation. The Company determined the stand-alone selling prices to equal the amounts paid for each performance obligation. Revenue is recognized for the transfer of the license and the related technology and know-how and delivery of existing inventory performance obligations based at a point in time in which control has been transferred. The performance obligation for the transfer of the license and the related technology and know-how does not occur until the delivery of the related technology and know-how has been satisfied. This delivery occurred in September 2020 at which point $20.0 million was recognized as revenue. Revenue is recognized for the reimbursement of costs associated with the two primary clinical trials based on the amount to be invoiced to EQRx for work completed from the effective date of the license agreement through September 30, 2020. During the three-months ended September 30, 2020, the Company recognized revenue of $0.6 million associated with this performance obligation. As this amount was not invoiced as of September 30, 2020, a contract asset for this amount was recognized on the balance sheet. As of September 30, 2020, the delivery of existing inventory has not occurred, and no payment has been made by EQRx. The delivery of existing inventory is expected to occur in the fourth quarter of 2020.

Simcere License Agreement

On August 3, 2020, the Company entered into an exclusive license agreement with Nanjing Simcere Dongyuan Pharmaceutical Co., Ltd (“Simcere”) for the development and commercialization of trilaciclib in all indications in Greater China (mainland China, Hong Kong, Macau, and Taiwan) (the “Simcere Territory”). Under the license agreement, the Company granted to Simcere an exclusive,

royalty-bearing, non-transferable license, with the right to grant sublicenses, to develop, obtain, hold and maintain regulatory approvals for, and commercialize trilaciclib in the Simcere Territory.

Under the license agreement, Simcere agreed to pay the Company a non-refundable, upfront cash payment of $14.0 million with the potential to pay an additional $156.0 million upon reaching certain development and commercial milestones. In addition, Simcere will pay the Company tiered low double-digit royalties on annual net sales of trilaciclib in the Simcere Territory. The upfront cash payment of $14.0 million (less applicable withholding taxes of $1.4 million) was received in September 2020. In return, the Company will furnish to Simcere the related technology and know-how that is necessary to develop, seek regulatory approval for, and commercialize trilaciclib in the Simcere Territory. Simcere will be responsible for all development and commercialization costs in its territory and may be able to participate in global clinical trials as agreed upon by the companies. No plans have currently been established for any combined participation in global clinical trials, however, each company will be responsible for the associated costs in their respective territories. The license agreement also provides for the companies to enter into a separate supply agreement which shall be entered into by the companies within 90 days of the effective date of the license agreement.

The Company assessed the license agreement in accordance with ASC 606 and identified the following promises under the contract: (i) to transfer the license, (ii) technology transfer and the transfer of related know-how to occur promptly following the effective date of the license agreement, (iii) participation in the joint steering committee ("JSC"), and (iv) participation in the joint development committee ("JDC"). The Company determined that Simcere cannot benefit from the license separate from the technology transfer and related technology and know-how as they are highly interrelated and therefore not distinct. Accordingly, the transfer of the license and the related technology and know-how were combined as a single performance obligation. The Company assessed the participation on the JSC and the JDC and concluded that the promises are immaterial in the context of the license agreement and therefore are excluded as performance obligations.

The Company assessed the supply agreement to determine whether it is a distinct performance obligation. The license agreement provides for the companies to enter into a supply agreement within 90 days of the effective date of the license agreement. Simcere may notify the Company of its desire to manufacture, or have manufactured using a third-party CMO, supply of trilaciclib at which point the related manufacturing know-how will be transferred to Simcere at its sole cost and expense. Based on the foregoing, the supply agreement is considered an option and was assessed to determine whether a material right exists. The Company determined that the negotiated price for performing services under a supply agreement are at standalone selling prices, and as such these services would not be provided at a significant or incremental discount and is not considered a material right.

In accordance with ASC 606, the Company determined the transaction price at contract inception. The Company considers the future potential development and sales milestones, as well as the sales-based royalties to be variable consideration. The Company excluded the regulatory-based development and sales milestones from the transaction price because it determined such payments to be fully constrained under ASC 606 due to the inherent uncertainty in the achievement of such milestone payments and high susceptibility to factors outside our control. As the sales-based royalties are all related to the license of the intellectual property, the Company will recognize revenue in the period when subsequent sales are made pursuant to the sales-based royalty exception. The Company will re-evaluate the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur. Based on the foregoing, the Company determined that the $14.0 million non-refundable, upfront payment constituted the entirety of consideration to be included in the transaction price.

As there is one combined performance obligation, the Company allocated the entirety of the transaction price to the one performance obligation. Revenue is recognized based at a point in time in which control has been transferred. The performance obligation for the transfer of the license and related technology and know-how does not occur until the delivery of the related technology and know-how has been satisfied. As of September 30, 2020, this performance obligation has not been satisfied and therefore revenue has not been recognized. As the Company received the upfront payment in September 2020, $14.0 million of deferred revenue is on the balance sheet as of September 30, 2020. The transfer of the related technology and know-how is expected to occur in the fourth quarter of 2020, at which point revenue will be recognized.

11. Net Loss per Common Share

Basic net loss per common share is computed using the weighted average number of common shares outstanding during the period including nominal issuances of common stock warrants. Diluted net loss per common share is computed using the sum of the weighted average number of common shares outstanding during the period and, if dilutive, the weighted average number of potential shares of common stock, including the assumed exercise of stock options, stock warrants and unvested restricted common stock. For the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019 the following potentially dilutive securities have been excluded from the computations of diluted weighted-average shares outstanding because the effect would be anti-dilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(unaudited)		(unaudited)	
Stock options issued and outstanding	6,648,285	5,629,344	6,525,810	5,334,298

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

12. Income Taxes

The Company's effective income tax rate was (8.4)% and 0% for the three months ended September 30, 2020 and 2019, respectively, and (1.3)% and 0% for the nine months ended September 30, 2020 and 2019, respectively. The Company continues to recognize losses in the United States and therefore, has recorded no tax benefit associated with these losses. The only income tax expense recognized related to the foreign withholding taxes incurred as a result of the Simcere transaction entered into during the current quarter. See Note 10 for further discussion on this transaction.

13. Related Party Transactions

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

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

The Company entered into a senior advisor agreement with John E. (Jack) Bailey, Jr., a member of the Board of Directors, effective October 1, 2020. Pursuant to the terms of the agreement, Mr. Bailey will receive $60,000 per month for his services through December 31, 2020. Mr. Bailey will become the Company's President and Chief Executive Officer effective January 1, 2021.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes included elsewhere in this quarterly report. This discussion and other parts of this quarterly report contain forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and intentions. As a result of many factors, including those factors set forth in the "Risk Factors" section of our 2019 Form 10-K, and in our subsequently filed Quarterly Reports on Form 10-Q, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

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

Product Pipeline

We are advancing two clinical stage programs. Trilaciclib is a first-in-class therapy designed to improve outcomes for patients who are treated with chemotherapy. Rintodestrant is a potential best-in-class oral selective estrogen receptor degrader (SERD) for the treatment of ER+ breast cancer. In 2020, we out-licensed global rights to lerociclib, an internally discovered and differentiated oral CDK4/6 inhibitor designed to enable more effective combination treatment strategies across multiple oncology indications. We also have intellectual property focused on cyclin-dependent kinase targets.

G1 Therapeutics Product Pipeline

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

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

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

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

In preclinical studies, administration of trilaciclib prior to chemotherapy has been shown to induce transient cell-cycle arrest of HSPCs, protect HSPCs from chemotherapy-induced damage, preserve bone marrow and immune system function, protect against bone marrow exhaustion, improve complete blood counts (CBC) recovery, prevent myeloid skewing and consequent lymphopenia, and enhance T-cell effector function in the tumor microenvironment.

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

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

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

All three SCLC trials demonstrated that trilaciclib, when added to standard of care chemotherapy or chemotherapy/checkpoint inhibitor regimens, prevents or mitigates clinically significant chemotherapy-induced myelosuppression. The FDA has granted Breakthrough Therapy Designation for trilaciclib based on myelopreservation data from our three randomized, double-blind, placebo-controlled SCLC clinical trials, as well as safety data collected across all completed and ongoing clinical trials. The Breakthrough Therapy program is designed to expedite development and review of drugs intended for serious or life-threatening conditions. In August 2020, the FDA accepted our New Drug Application (NDA) for trilaciclib in SCLC, granting Priority Review with a Prescription Drug User Fee Act (PDUFA) action date of February 15, 2021. Discussions with European regulatory authorities have indicated existing data is sufficient to support a Marketing Authorization Application (MAA) to the European Medicines Agency (EMA) for trilaciclib for myelopreservation in SCLC, which we plan to pursue in collaboration with a partner.

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

As part of our strategy to evaluate the potential benefits of trilaciclib to patients with other tumors that are treated with chemotherapy, we have initiated a registrational trial in colorectal cancer. We met with the FDA in the second quarter of 2020 for a pre-Phase 3 meeting and expect to enroll the first patient in a randomized, placebo-controlled registrational trial of trilaciclib in colorectal cancer in the fourth quarter of 2020. We expect to initiate a registrational trial in mTNBC in 2021. We entered into a three-year co-promotion agreement in the United States and Puerto Rico with Boehringer Ingelheim in June 2020. Under the terms of the agreement, we will book revenue in the United States and Puerto Rico and retain development and commercialization rights to trilaciclib. We will lead marketing, market access and medical engagement initiatives; Boehringer Ingelheim will lead sales force engagements. The agreement is limited to support for SCLC in the U.S. and Puerto Rico. In August 2020, we entered into an exclusive license agreement with Nanjing Simcere Dongyuan Pharmaceutical Co., Ltd ("Simcere") for development and commercialization rights for trilaciclib in all indications in Greater China (mainland China, Hong Kong, Macau and Taiwan). Under the terms of the agreement, we received an upfront payment of $14.0 million and will be eligible to receive up to $156.0 million in development and commercial milestone payments. Simcere will also pay us tiered low double-digit royalties on annual net sales of trilaciclib in Greater China. As part of the agreement, Simcere will participate in global clinical trials of trilaciclib and the companies will be responsible for all development and commercialization costs in their respective territories.

Rintodestrant: Our oral SERD

Rintodestrant is a potential first/best in-class oral SERD, which we plan to initially develop as a monotherapy and in combination with CDK4/6 inhibitors, initially Ibrance® (palbociclib), for the treatment of ER+, HER2- breast cancer. Based on compelling preclinical efficacy and safety data, we filed an Investigational New Drug application (IND) with the FDA in the fourth quarter of 2017. In 2018, we initiated a Phase 1/2a (dose escalation/dose expansion) clinical trial in ER+, HER2- breast cancer. Preliminary data from the Phase 1 portion of this trial were presented at the 2019 ESMO Congress, showing that rintodestrant was well tolerated and demonstrated evidence of anti-tumor activity in heavily pre-treated patients. We have completed enrollment of the dose escalation and dose expansion portions of the trial, and based on findings we plan to advance an 800 mg dose of rintodestrant in future trials. Updated safety and efficacy data from this trial have been accepted for presentation at the 2020 SABCS. We completed enrollment of patients receiving rintodestrant in combination with palbociclib in October 2020, and expect to disclose initial safety and efficacy data in the second quarter of 2021. Palbociclib is being provided under a non-exclusive clinical supply agreement that we signed with Pfizer in February 2020.

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

Lerociclib is a differentiated oral CDK4/6 inhibitor being developed for use in combination with other targeted therapies in multiple oncology indications. In 2020, we entered into separate, exclusive agreements with EQRx, Inc. (rights for U.S., Europe, Japan and all markets outside Asia-Pacific) and Genor Biopharma Co. Inc. (rights for Asia-Pacific, excluding Japan) for the development and commercialization of lerociclib in all indications. Combined, these agreements provided $26.0 million in upfront payments, along with sales-based royalties and up to $330.0 million in potential milestone payments. EQRx, Inc. and Genor Biopharma Co. Inc. are responsible for all costs related to the development and commercialization of lerociclib in their respective territories.

Coronavirus (COVID-19) impact on operations

We have implemented business continuity plans to address the COVID-19 pandemic and minimize disruptions to ongoing operations. Enrollment of patients in current and future clinical trials may be impacted by COVID-19. We do not anticipate significant supply chain delays or shortages as a result of the COVID-19 pandemic.

Financial Overview

Since our inception in 2008, we have devoted substantially all of our resources to synthesizing, acquiring, testing and developing our product candidates, including conducting preclinical studies and clinical trials and providing general and administrative support for these operations as well as securing intellectual property protection for our product candidates. We do not have any products approved for sale and have not generated any revenues from product sales. We recorded $26.6 million and $28.7 million of license revenue for the three and nine months ended September 30, 2020, respectively, and $0 of revenue for the year ended December 31, 2019. To date, we have financed our operations primarily through the sale of equity securities, our loan agreement with Hercules Capital, Inc., and licensing arrangements. Under our licensing arrangements, we are eligible to receive certain development and sales-based milestones. Our ability to earn these milestones and the timing of achieving these milestones is primarily dependent upon the outcome of the licensee's activities and is uncertain at this time.

As of September 30, 2020, we had cash and cash equivalents of $238.3 million. Since inception we have incurred net losses. As of September 30, 2020 we had an accumulated deficit of $410.8 million. Substantially all of our net losses have resulted from costs incurred in connection with our research and development programs and from general and administrative expenses associated with our operations. We expect to continue to incur significant expenses and increasing operating losses over at least the next several years. We expect our research and development and general and administrative expenses will continue to increase in connection with our ongoing and future activities as we:

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

License agreement with the University of Illinois

In November 2016, and as amended in March 2017, we entered into a license agreement with the Board of Trustees of the University of Illinois, ("the University"). Pursuant to the license agreement, as amended, the University licensed patent rights to us, with rights to sublicense, to make, have made, use, import, sell and offer for sale SERDs, including rintodestrant, covered by certain patent rights owned by the University. The rights licensed to us are exclusive, worldwide, non-transferable rights, for all fields of use. Under the terms of the agreement, as amended, we paid a one-time only, non-refundable upfront fee of $0.5 million, and are required to pay the University low single-digit royalties on all net sales of products and a share of any sublicensing revenues. We are also obligated to pay annual maintenance fees, which are fully creditable against any royalty payments made by us. In addition, we may also be required to pay the University milestone payments of up to an aggregate of $2.6 million related to the initiation and execution of clinical trials and the first commercial sale of a product and the first commercial sale of a product in another country. To date, we have made milestone payments totaling $0.6 million, of which $0 was incurred during the third quarter of 2020. We will also be responsible for any future patent prosecution costs that may arise.

Components of our Results of Operations

Revenue

To date, we have not generated any revenues from the sale of products. Our revenues have been derived from our license agreements.

We entered into an exclusive license agreement with Genor Biopharma Co. Inc. ("Genor") in June 2020 and granted them the rights to develop and commercialize lerociclib in the Asia-Pacific Region, excluding Japan (the "Genor Territory"). We received an upfront payment of $6.0 million in July 2020. This was recognized as revenue in September 2020 when we transferred the license and related technology and know-how. We have the potential to receive $40.0 million upon reaching development and commercial milestones, and receive tiered royalties ranging from high single to low double-digits based on annual net sales of lerociclib in the Genor Territory.

We entered into an exclusive license agreement with EQRx, Inc. ("EQRx") in July 2020 and granted them the rights to develop and commercialize lerociclib in the U.S, Europe, Japan and all other global markets, excluding the Asia-Pacific region (except Japan) (the "EQRx Territory"). We received an upfront payment of $20.0 million in August 2020. This was recognized as revenue in September 2020 when we transferred the license and related technology and know-how. We have the potential to receive $290.0 upon reaching development and commercial milestones, and receive tiered royalties ranging from mid-single digits to mid-teens based on annual net sales of lerociclib in the EQRx Territory.

We entered into an exclusive license agreement with Nanjing Simcere Dongyuan Pharmaceutical Co., Ltd ("Simcere") in August 2020 and granted them the rights to develop and commercialize trilaciclib in Greater China (mainland China, Hong Kong, Macau, and Taiwan) (the "Simcere Territory"). We received an upfront payment of $14.0 million (less applicable withholding taxes of $1.4 million) in September 2020. Revenue will not be recognized until the transfer of the related technology and know-how is completed. We have the potential to receive $156.0 million upon reaching development and commercial milestones, and receive tiered low double-digit royalties on annual net sales of trilaciclib in the Simcere Territory.

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

Research and Development Expenses

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

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

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

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

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

We track research and development expenses on a program-by-program basis only for clinical-stage product candidates. Preclinical research and development expenses and chemical manufacturing research and development expenses are not assigned or allocated to individual development programs. As of the third quarter of 2020, we had two clinical-stage product candidates, trilaciclib and rintodestrant.

General and administrative expenses

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

We expect to continue to incur additional general and administrative expenses in 2020 as we support continued research and development activities and support our operations in a public company environment, including expenses related to compliance with the rules and regulations of the SEC and Nasdaq, additional insurance expenses, and expenses related to investor relations activities, pre-commercialization costs and other administration and professional services.

Total other income, net

Total other income, net consists of interest income earned on cash and cash equivalents and interest expenses incurred under our loan and security agreement with Hercules.

Results of Operations

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

	Three Months Ended September 30,		Change
	2020	2019	$
	(in thousands)		
License revenue	$ 26,599	$ —	$ 26,599
Operating expenses:			
Research and development	17,932	22,941	(5,009)
General and administrative	18,412	11,083	7,329
Total operating expenses	36,344	34,024	2,320
Loss from operations	(9,745)	(34,024)	24,279
Other income (expense):			
Interest income	50	1,660	(1,610)
Interest expense	(757)	—	(757)
Other income (expense)	(291)	—	(291)
Total other income (expense), net	(998)	1,660	(2,658)
Loss before income taxes	(10,743)	(32,364)	21,621
Income tax expense	931	—	931
Net loss	$ (11,674)	$ (32,364)	$ 20,690

Revenue

Revenue was $26.6 million and $0 for the three months ended September 30, 2020 and September 30, 2019 respectively. The revenue for the three months ended September 30, 2020 related to revenue recognized from the EQRx and Genor upfront payments under the respective license agreements following the transfer of the related technology and know-how which occurred during the period. In addition, we recognized $0.6 million for the costs associated with the two primary lerociclib clinical trials to be reimbursed by EQRx.

Research and development

Research and development expenses were $17.9 million for the three months ended September 30, 2020 compared to $22.9 million for the three months ended September 30, 2019. The decrease of $5.0 million, or -22%, was primarily due to a decrease of $4.6 million in costs for manufacturing of active pharmaceutical ingredients and drug product to support clinical trials, as well as a decrease of $1.6 million in external costs related to discovery and pre-clinical costs development. The decrease is partially offset by an increase of $1.2 million in spend for clinical trials. The following table summarizes our research and development expenses allocated to trilaciclib, rintodestrant, lerociclib and unallocated research and development expenses for the periods indicated:

	Three Months Ended September 30,	
	2020	2019
	(in thousands)	
Clinical Program Expenses—trilaciclib	$ 10,647	$ 7,664
Clinical Program Expenses—rintodestrant	1,737	2,384
Clinical Program Expenses—lerociclib	1,345	2,486
Chemical Manufacturing and Development	3,435	8,030
Discovery and Pre-Clinical Expenses	768	2,377
Total Research and Development Expenses	$ 17,932	$ 22,941

General and administrative

General and administrative expenses were $18.4 million for the three months ended September 30, 2020 compared to $11.1 million for the three months ended September 30, 2019. The increase of $7.3 million, or 66%, was due to an increase of $1.7 million in personnel costs due to increased headcount, of which $0.4 million related to non-cash stock compensation expense, an increase of $5.3 million in pre-commercialization activities, and an increase of $1.0 million in professional services, insurance and other administrative costs. The increase is partially offset by a decrease of $0.7 million in medical affairs costs related to trilaciclib.

Total other income (expense), net

Total other income (expense), net was $(1.0) million for the three months ended September 30, 2020 as compared to $1.7 million for the three months ended September 30, 2019. The decrease of $2.7 million was primarily due to the lower balance of money market funds due to cash used in operating activities and changes in interest rates during the three months ended September 30, 2020 as compared to the three months ended September 30, 2019, interest expense on loan payable, and loss on disposal of fixed assets.

Income tax expense

Income tax expense was $0.9 million for the three months ended September 30, 2020 as compared to $0 for the three months ended September 30, 2019. The increase was related to the foreign withholding taxes incurred as a result of the upfront payment received from the Simcere license agreement entered into during the quarter.

Results of Operations

Comparison of the nine months ended September 30, 2020 and 2019

	Nine Months Ended September 30,		Change
	2020	2019	$
	(in thousands)		
License revenue	$ 28,739	$ —	$ 28,739
Operating expenses:			
Research and Development	56,897	64,510	(7,613)
General and Administrative	44,230	27,979	16,251
Total operating expenses	101,127	92,489	8,638
Loss from operations	(72,388)	(92,489)	20,101
Other income (expense):			
Interest income	922	5,469	(4,547)
Interest expense	(1,022)	—	(1,022)
Other income (expense)	(488)	14	(502)
Total other income (expense), net	(588)	5,483	(6,071)
Loss before income taxes	(72,976)	(87,006)	14,030
Income tax expense	931	-	931
Net loss	$ (73,907)	$ (87,006)	$ 13,099

Revenue

Revenue was $28.7 million and $0 for the nine months ended September 30, 2020 and 2019, respectively. The revenue for the nine months ended September 30, 2020 related to revenue recognized from the ARC, EQRx and Genor upfront payments under the respective license agreements following the transfer of the related technology and know-how which occurred during the period. In addition, we recognized $0.6 million for the costs associated with the two primary lerociclib clinical trials to be reimbursed by EQRx.

Research and development

Research and development expenses were $56.9 million for the nine months ended September 30, 2020 compared to $64.5 million for the nine months ended September 30, 2019. The decrease of $7.6 million, or -12%, was primarily due to a decrease of $3.7 million in clinical costs, due to reduction in spend for ongoing clinical trials of $0.7 million as well as regulatory filing reimbursement received during the second quarter of 2020 of $3.0 million. The decrease in research and development expenses was also due to a decrease of $3.0 million in external costs related to discovery and pre-clinical costs development and decrease of $0.9 million in costs for manufacturing of active pharmaceutical ingredients and drug products to support clinical trials. The following table summarizes our research and development expenses allocated to trilaciclib, rintodestrant, lerociclib and unallocated research and development expenses for the periods indicated:

	Nine Months Ended September 30,	
	2020	2019
	(in thousands)	
Clinical Program Expenses—trilaciclib	$ 25,763	$ 25,922
Clinical Program Expenses—rintodestrant	5,482	6,012
Clinical Program Expenses—lerociclib	4,940	8,003
Chemical Manufacturing and Development	17,619	18,469
Discovery and Pre-clinical Expenses	3,093	6,104
Total Research and Development Expenses	$ 56,897	$ 64,510

General and administrative

General and administrative expenses were $44.2 million for the nine months ended September 30, 2020 compared to $28.0 million for the nine months ended September 30, 2019. The increase of $16.3 million, or 58% was due to an increase of $4.3 million in compensation due to increased headcount, of which $1.3 million related to non-cash stock compensation expense, an increase of $1.9 million in medical affairs costs related to trilaciclib, an increase of $7.2 million in pre-commercialization activities, an increase of $2.9 million in professional services, insurance and other administrative costs.

Total other income (expense), net

Total other income (expense), net was $(0.6) million for the nine months ended September 30, 2020 as compared to $5.5 million for the nine months ended September 30, 2019. The decrease of $6.1 million was from lower balance of money market funds due to cash used in operating activities and changes in interest rates during the nine months ended September 30, 2020 as compared to the nine months ended September 30, 2019, interest expense on loan payable, and loss on disposal of fixed assets.

Income tax expense

Income tax expense was $0.9 million for the nine months ended September 30, 2020 as compared to $0 for the nine months ended September 30, 2019. The increase was related to the foreign withholding taxes incurred as a result of the upfront payment received from the Simcere license agreement entered into during the quarter.

Liquidity and Capital Resources

We have incurred cumulative losses and negative cash flows from operations since our inception in 2008. As of September 30, 2020, we had an accumulated deficit of $410.8 million. We do not expect to generate substantial revenue from the commercial sale of our products in the foreseeable future and anticipate that we will continue to incur losses.

As of September 30, 2020, we had cash and cash equivalents of $238.3 million. To date, we have funded our operations primarily through proceeds from our initial public offering, our follow-on stock offerings, our debt agreement with Hercules Capital, and proceeds from our license agreements. Under our licensing arrangements, we are eligible to receive certain development and sales-based milestones. Our ability to earn these milestones and the timing of achieving these milestones is primarily dependent upon the outcome of the licensee’s activities and are uncertain at this time.

Follow-on offering

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

Shelf registration statement

On June 15, 2018, we filed an automatically effective shelf registration statement with the Securities and Exchange Commission. Each issuance under the shelf registration statement will require the filing of a prospectus supplement identifying the amount and terms of securities to be issued. The registration statement does not limit the amount of securities that may be issued thereunder. Our ability to issue securities is subject to market conditions and other factors. This registration statement will expire on June 15, 2021, three years after its date of effectiveness.

At-the-market offering

On June 15, 2018, we entered into a Sales Agreement for an “at the market offering” arrangement with Cowen and Company, LLC (“Cowen”), which allows us to issue and sell shares of common stock pursuant to a shelf registration statement for total gross sales proceeds of up to $125.0 million from time to time through Cowen, acting as our agent. Between June 18, 2018 and August 2, 2018, we sold 752,008 shares of common stock pursuant to this agreement resulting in $36.1 million in net proceeds, realizing $12.1 million in the second quarter of 2018 and the remaining $24.0 million by August 2, 2018. As of September 30, 2020, we have remaining authorization to sell up to $88.2 million under this sales agreement with Cowen.

Follow-on offering

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

Loan and Security Agreement with Hercules

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

Genor License Agreement

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

Under the license agreement, Genor agreed to pay us a non-refundable, upfront cash payment of $6.0 million with the potential to pay an additional $40.0 million upon reaching certain development and commercial milestones. In addition, Genor will pay us tiered royalties ranging from high single to low double-digits based on annual net sales of lerociclib in the Genor Territory. The upfront cash payment was received in July 2020. In September 2020, we transferred to Genor the related technology and know-how that is necessary to develop, seek regulatory approval for, and commercialize lerociclib in the Genor Territory. Genor will be responsible for the development of the product in the Genor Territory and will be responsible, at its sole cost, for obtaining supply of lerociclib to meet its development, regulatory approval, and commercialization obligations under the agreement.

EQRx License Agreement

On July 22, 2020, we entered into an exclusive license agreement with EQRx, Inc. ("EQRx") for the development and commercialization of lerociclib in the U.S., Europe, Japan and all other global markets, excluding the Asia-Pacific region (except Japan) (the "EQRx Territory"). Under the license agreement, we granted to EQRx an exclusive, royalty-bearing, non-transferable license, with the right to grant sublicenses, to develop, obtain, hold and maintain regulatory approvals for, and commercialize lerociclib in the EQRx Territory.

Under the license agreement, EQRx agreed to pay us a non-refundable, upfront cash payment of $20.0 million with the potential to pay an additional $290.0 million upon reaching certain development and commercial milestones. In addition, EQRx will pay us tiered royalties ranging from mid-single digits to mid-teens based on annual net sales of lerociclib in the EQRx Territory. The upfront cash payment was received in August 2020. In September 2020, we transferred to EQRx the related technology and know-how that is necessary to develop, seek regulatory approval for, and commercialize lerociclib in the EQRx Territory. EQRx will be responsible for the development of the product in the EQRx Territory. We will continue until completion, as the clinical trial sponsor, its two primary clinical trials at EQRx's sole cost and expense. EQRx will reimburse us for all of its out-of-pocket costs incurred after the effective date of the license agreement in connection with these clinical trials. We will invoice EQRx within 30 days following the end of the quarter, and EQRx will pay within 30 days after its receipt of such invoice.

Simcere License Agreement

On August 3, 2020, we entered into an exclusive license agreement with Nanjing Simcere Dongyuan Pharmaceutical Co., Ltd ("Simcere") for the development and commercialization of trilaciclib in all indications in Greater China (mainland China, Hong Kong, Macau, and Taiwan) (the "Simcere Territory"). Under the license agreement, we granted to Simcere an exclusive, royalty-bearing, non-transferable license, with the right to grant sublicenses, to develop, obtain, hold and maintain regulatory approvals for, and commercialize trilaciclib in the Simcere Territory.

Under the license agreement, Simcere agreed to pay us a non-refundable, upfront cash payment of $14.0 million with the potential to pay an additional $156.0 million upon reaching certain development and commercial milestones. In addition, Simcere will pay us

tiered low double-digit royalties on annual net sales of trilaciclib in the Simcere Territory. The upfront payment of $14.0 million (less applicable withholding taxes of $1.4 million) was received in September 2020. In return, we will furnish to Simcere the related technology and know-how that is necessary to develop, seek regulatory approval for, and commercialize trilaciclib in the Simcere Territory. Simcere will be responsible for all development and commercialization costs in its territory and may be able to participate in global clinical trials as agreed upon by the companies. No plans have currently been established for any combined participation in global clinical trials, however, each company will be responsible for the associated costs in their respective territories. The license agreement also provides for the companies to enter into a separate supply agreement which shall be entered into by the companies within 90 days of the effective date of the license agreement.

Cash flows

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

	Nine Months Ended September 30,		Change
	2020	2019	$
	(in thousands)		
Net cash used in operating activities	$ (52,234)	$ (69,560)	$ 17,326
Net cash provided/used in investing activities	152	(1,616)	1,768
Net cash provided by financing activities	21,216	2,319	18,897
Net change in cash, cash equivalents, and restricted cash	$ (30,866)	$ (68,857)	$ 37,991

Net cash used in operating activities

During the nine months ended September 30, 2020, net cash used in operating activities was $52.2 million which consisted primarily of a net loss of $73.9 million, a decrease in net operating assets and liabilities of $6.7 million, and a decrease in non-cash equity interest of $0.9 million, partially offset by an increase in deferred revenue of $14.0 million, non-cash stock compensation expense of $14.0 million, $0.5 million of depreciation expense, $0.3 million from loss on disposal of fixed assets, $0.3 million in amortization of debt issuance costs, and $0.2 million of non-cash interest expense.

During the nine months ended September 30, 2019, net cash used in operating activities was $69.6 million, which consisted primarily of a net loss of $87.0 million, partially offset by non-cash stock compensation expense of $12.0 million, working capital adjustments of $5.2 million and $0.2 million of depreciation expense.

Net cash used in operating activities decreased by $(17.3) million as compared to the nine months ended September 30, 2019 primarily due to decrease in net loss from recognition of revenue offset by an increase in administrative costs as company prepares for commercialization.

Net cash used in investing activities

During the nine months ended September 30, 2020, there $0.2 million provided by investing activities from the disposal of property and equipment.

During the nine months ended September 30, 2019, net cash used in investing activities was $1.6 million related to the purchases of property and equipment.

Net cash provided by financing activities

During the nine months ended September 30, 2020, net cash provided by financing activities was $21.2 million, which consisted of $19.4 million in net proceeds from debt funding and $1.8 million from proceeds from the exercise of stock options.

During the nine months ended September 30, 2019, net cash provided by financing activities was $2.3 million, from proceeds from the exercise of stock options.

Operating capital requirements and plan of operations

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

We believe that our existing cash and cash equivalents will be sufficient to fund our projected cash needs for at least the next 12 months.

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

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

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

Contractual Obligations, Commitments and Contingencies

The Company entered into a three-year co-promotion agreement in the United States and Puerto Rico with Boehringer Ingelheim Pharmaceuticals, Inc., or BI, in June 2020. Under the terms of the agreement, we will book revenue in the United States and Puerto Rico and retain development and commercialization rights to trilaciclib. We will lead marketing, market access and medical engagement initiatives; BI will lead sales force engagements. The agreement is limited to support for small cell lung cancer. There have been no material changes to our contractual obligations during the current period from those disclosed in our Annual Report on Form 10-K for year ended December 31, 2019.

Off-Balance Sheet Arrangements

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

Critical Accounting Policies and Significant Judgments and Estimates

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

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

Recent Accounting Pronouncements

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate sensitivities, which are affected by changes in the general level of U.S. interest rates. We had cash and cash equivalents of $238.3 million as of September 30, 2020, which consists of deposits in banks, including checking accounts, money market accounts and certificates of deposit. Such interest-earning instruments carry a degree of interest rate risk; however, historical fluctuations in interest income have not been significant. Due to the short-term nature of our cash equivalents, a sudden change in interest rates would not be expected to have a material effect on our business, financial condition or results of operations.

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

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

Inflation generally affects us by increasing our cost of labor. We do not believe that inflation had a material effect on our business financial condition or results of operations during the three and nine months ended September 30, 2020.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2020. The term "disclosure controls and procedures," as defined in Rules 13a-

15(e) and 15d-15(e) under the Securities Exchange Act of 1934, or the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of September 30, 2020, our principal executive officer and our principal financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Change in Internal Controls

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

PART II—OTHER INFORMATION

Item 1A. Risk Factors.

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

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

In December 2019, a novel strain of coronavirus (COVID-19) surfaced in Wuhan, China and in March 2020, in an effort to halt the outbreak of COVID-19, the United States, along with many other countries, placed significant restrictions on travel and many businesses have announced extended closures which could adversely impact our operations. Such government-imposed precautionary measures have been relaxed in certain countries or states, but there is no assurance that more strict measures will be put in place again due to a resurgence in COVID-19 cases. The duration and the geographic impact of the business disruption and related financial impact resulting from the COVID-19 pandemic cannot be reasonably estimated at this time and our business could be adversely impacted by the effects of the COVID-19 pandemic.

The enrollment of patients in current and future clinical trials may be slower due to the outbreak of COVID-19. In addition, we rely on independent clinical investigators, contract research organizations and other third-party service providers to assist us in managing, monitoring and otherwise carrying out our nonclinical studies and clinical trials, and the outbreak may affect their ability to devote sufficient time and resources to our programs. We also rely on third party suppliers and contract manufacturers to produce the drug product we utilize in our clinical trials. Although we do not anticipate significant supply chain delays or shortages as a result of the COVID-19 pandemic at this time, the outbreak may cause delays in delivery of APIs and drug product. Temporary closure of our facilities, or facilities at which our clinical trials or nonclinical studies are conducted, or restrictions on the ability of our employees, clinicians or patients enrolled in our trials to travel could adversely affect our operations and our ability to conduct and complete our nonclinical studies and clinical trials. As a result of the foregoing factors, the expected timeline for data readouts of our clinical trials may be negatively impacted, which would adversely affect our business.

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

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

The full extent to which COVID-19 impacts our business will depend on future developments, including, but not limited to, the ultimate severity and scope of the pandemic, the pace at which governmental and private travel restrictions and public concerns about public gatherings will ease, the rate at which historically large increases in unemployment rates will decrease, if at all, and whether, and the speed with which the economy recovers, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions to treat or contain COVID-19 or to otherwise limit its impact.

We entered into a license agreement for the development of trilaciclib in greater China and intend to continue to use third-party collaborators to help us develop and commercialize any new products, and our ability to commercialize such products could be impaired or delayed if these collaborations are unsuccessful.

We have entered into license agreements with third-parties, and may continue to selectively pursue strategic collaborations, for the development and commercialization of our products. For example, in August 2020, we entered into a license agreement with Nanjing Simcere Dongyuan Pharmaceutical Co., Ltd, for the development and commercialization of trilaciclib in Greater China. In our third-party collaborations, we are dependent upon the success of the collaborators to perform their responsibilities with continued cooperation. Our collaborators may not cooperate with us or perform their obligations under our agreements with them. We cannot

control the amount and timing of our collaborators' resources that will be devoted to performing their responsibilities under our agreements with them. Our collaborators may choose to pursue alternative therapies in preference to those being developed in collaboration with us. The development and commercialization of our product candidates will be delayed if collaborators fail to conduct their responsibilities in a timely manner or in accordance with applicable regulatory requirements or if they breach or terminate their collaboration agreements with us. Disputes with our collaborators could also impair our reputation or result in development delays, decreased revenues, and litigation expenses.

Item 6. Exhibits.

Exhibit Number	Description
10.1*†	Employment Agreement by and between Registrant and John E. Bailey, Jr. dated September 29, 2020.
10.2*†	Senior Advisor Agreement between Registrant and John E. Bailey, Jr. dated September 29, 2020.
10.3*†	Senior Advisor Agreement between Registrant and Mark A. Velleca, M.D., Ph.D. dated September 29, 2020.
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

† Indicates management contract or compensatory plan or arrangement.

SIGNATURES

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

G1 THERAPEUTICS, INC.

Date: November 4, 2020

By: */s/ Jennifer K. Moses*

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

Exhibit 10.1

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement"), is made and entered into effective as of September 29, 2020 (the "Effective Date"), by and between G1 Therapeutics, Inc., a Delaware corporation (the "Company"), and John E. Bailey, Jr. ("Employee").

1. EMPLOYMENT; DUTIES. The Company agrees to employ Employee as its President and Chief Executive Officer, and Employee agrees to accept such employment upon the terms and conditions hereinafter set forth. Employee will perform such services for the Company as are customarily associated with such position and as may otherwise be assigned to the Employee from time to time by the Company's Board of Directors (the "Board"). Employee will devote Employee's full business time and attention to the business and affairs of the Company, and will perform Employee's duties diligently and to the best of Employee's ability, in compliance with the Company's policies and procedures and the laws and regulations that apply to the Company's business. Subject to the Board's prior consent and the procedures associated with obtaining same, Executive will be permitted to sit on not more than two (2) additional boards of directors or similar governing bodies of other businesses and to serve as director, trustee, officer, or consultant to a charitable or non-profit entity, provided that: (a) such service does not adversely affect Employee's compliance with Employee's obligations under this Agreement, including but not limited to Employee's devotion of full business time and attention to the business and affairs of the Company; (b) such service does not violate Employee's Non-Competition and Non-Solicitation Agreement and Confidentiality and Inventions Agreement.

2. TERM; TERMINATION. Employee's employment under this Agreement will commence on January 1, 2021 (the "Start Date") and will continue until terminated by either party. Employee's employment with the Company is at-will, and either party can terminate the employment relationship and/or this Agreement at any time, for any or no cause or reason, subject to the applicable terms of Section 4. Upon termination of Employee's employment by either party for any reason, Employee will resign Employee's position(s), if any, as an officer or director of the Company, as a member of the Board and any Board committees, as well as any other positions Employee may hold with or for the benefit of the Company and/or its affiliates.

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

(a) BASE SALARY. The Company will pay Employee a base salary (the "Base Salary") at an annual rate of seven hundred thirty-five thousand dollars ($735,000.00), payable in equal installments in accordance with the Company's customary payroll practices as in effect from time to time. The Base Salary may be reviewed from time to time by the Company and may be increased in the sole discretion of the Company. The Base Salary may also be decreased in connection with any Company-wide decrease in executive compensation.

(b) ANNUAL BONUS. Employee will be eligible to receive an annual calendar year bonus based upon Employee's and the Company's achievement of certain individual and Company goals that will be set for Employee by the Board or its designee (the "Annual Bonus"). The amount

of the target Annual Bonus will be equal to fifty percent (50%) of Employee's then-current Base Salary as of the date of the payment; provided that the actual amount of the Annual Bonus may be greater or less than such target amount. The Board or its designee will have the sole discretion to set the applicable individual and Company goals, to determine whether the goals have been met, and to determine the amount of the Annual Bonus. The Annual Bonus for any given year, if any is earned, will be paid in accordance with, and subject to, the Company's policies and procedures in effect from time to time. Employee must be employed by the Company on December 31 of the bonus year in order to receive the Annual Bonus for that year.

(c) EQUITY.

(i) STOCK OPTIONS. The Board will grant Employee a stock option (the "Option") as of the Start Date to purchase 320,000 shares of the Company's common stock (the "Common Stock"), at a per share exercise price equal to the fair market value (as defined in the 2017 Employee, Director and Consultant Equity Incentive Plan (the "Equity Plan")) of the Company's Common Stock on the Start Date. The Option will be, to the maximum extent permissible, treated as an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code (the "Code"), and will be further subject to the terms of the Plan and a stock option agreement as approved by the Board setting forth the exercise price, vesting conditions and other restrictions applicable to the Option. The Option will vest quarterly over a three (3) year period following the Start Date, with 34% of the shares vesting on the first anniversary of the grant date (the "Vesting Commencement Date") and 66% of the shares vesting in equal installments on a quarterly basis over the two (2) years following the Vesting Commencement Date and with such acceleration of vesting as is set forth in this Employment Agreement. Fifty percent (50%) of any unvested portion of the Option will vest immediately prior to, and subject to, the consummation of a Change in Control (as defined below) and, subject to Employee's execution of the release of claims described in Section 4(c), any remaining unvested portion of the Option will immediately vest if Employee's employment is terminated by the Company without Cause (as defined below) or Employee resigns with Good Reason (as defined below) within ninety (90) days following a Change in Control. A "Change in Control" means (i) the Company's merger or consolidation with or into another entity such that the stockholders of the Company prior to such transaction do not or are not expected to own a majority of the voting stock of the surviving entity, (ii) the sale or other disposition of all or substantially all of the assets of the Company, or (iii) the sale or other disposition of greater than fifty percent (50%) of the then-outstanding voting stock of the Company by the holders thereof to one or more persons or entities who are not then stockholders of the Company.

(ii) RESTRICTED STOCK UNITS. The Company will grant Employee 213,333 restricted stock units ("RSUs") with respect to the Company's Common Stock. The RSUs will be subject to the terms of a RSU award agreement as approved by the Board setting forth vesting conditions and other restrictions applicable to the RSUs. The RSUs will vest over a three (3) year period following the Start Date, with one third (1/3) of the total number of such RSUs vesting on each of the first, second and third anniversaries of the Start Date, so long as Employee remains employed by the Company through each such vesting date. Fifty percent (50%) of any unvested RSUs will vest immediately prior to, and subject to, the consummation of a Change in Control (as defined above) and, subject to Employee's execution of the release of claims described

in Section 4(c), any remaining unvested RSUs will immediately vest if Employee's employment is terminated by the Company without Cause (as defined below) or Employee resigns with Good Reason (as defined below) within ninety (90) days following a Change in Control (as defined above).

(d) DEFERRED COMPENSATION. A portion of Employee's compensation will be subject to deferral as set forth in an Executive Deferred Savings Plan. Employee's rights and obligations under the deferred compensation plan will be determined in accordance with the governing plan document, as may be amended from time to time.

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

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

(g) EXPENSE REIMBURSEMENT. The Company will reimburse Employee for all reasonable business expenses incurred by Employee in connection with the performance of Employee's duties hereunder, subject to Employee's compliance with the Company's reimbursement policies in effect from time to time. All reimbursements provided under this Agreement will be made or provided in accordance with the requirements of Section 409A ("Section 409A") of the Internal Revenue Code and the rules and regulations thereunder (the "Code") including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during Employee's lifetime (or during a shorter period of time specified in this Agreement); (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year; (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred; and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit.

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

4. EFFECT OF TERMINATION.

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

reimbursement in accordance with the Company's expense reimbursement policy or practice (the "Accrued Obligations").

(b) SEPARATION. Notwithstanding anything else contained in this Agreement, Employee's employment hereunder will terminate upon the earliest to occur of the following:

(i) DEATH. Immediately upon Employee's death.

(ii) TERMINATION BY COMPANY.

(A) If because of Employee's Disability (as defined below), upon written notice by Company to Employee that Employee's employment is being terminated as a result of Employee's Disability, which termination will be effective on the date of such notice or such later date as specified in writing by Company. For purposes of this Agreement, "Disability" means the inability of Employee, due to the condition of Employee's physical, mental or emotional health, effectively to perform the essential functions of Employee's job with or without reasonable accommodation for a continuous period of more than ninety (90) days or for ninety (90) days in any period of one hundred eighty (180) consecutive days, as determined by the Board in its sole discretion in consultation with a physician retained by the Company.

(B) If for Cause (as defined in Section 4(d)), upon written notice by Company to Employee that Employee's employment is being terminated for Cause, which termination will be effective on the date of such notice or such later date as specified in writing by Company; provided that if Employee has cured the circumstances giving rise to Cause as set forth in Section 4(d), then such termination will not be effective; or

(C) If by Company for reasons other than Disability or Cause, upon written notice by Company to Employee that Employee's employment is being terminated, which termination will be effective on the date of such notice or such later date as specified in writing by Company.

(iii) TERMINATION BY EMPLOYEE.

(A) If for Good Reason (as defined in Section 4(e)), upon written notice by Employee to Company that Employee is terminating Employee's employment for Good Reason and that sets forth the factual basis supporting the alleged Good Reason, which termination will be effective thirty (30) days after the date of such notice; provided that if Company has cured the circumstances giving rise to the Good Reason, then such termination will not be effective; or

(B) If without Good Reason, written notice by Employee to Company that Employee is terminating Employee's employment, which termination will be effective at least thirty (30) days after the date of such notice, unless Company elects an earlier effective date, which Company may so elect in its sole discretion without such election modifying the nature of such resignation.

Notwithstanding anything in this Section 4(b), Company may at any point terminate Employee's employment for Cause prior to the effective date of any other termination contemplated hereunder.

(c) PAYMENTS AND BENEFITS UPON TERMINATIONS.

(i) If Employee's employment hereunder is terminated by Company for Cause (as defined below), by Employee without Good Reason (as defined below), or as a result of Employee's Disability or death, then Company will pay the Accrued Obligations to Employee promptly following the effective date of such termination, and will have no further payment obligation to Employee.

(ii) If the Company terminates Employee's employment without Cause (as defined below), or if Employee resigns Employee's employment for Good Reason (as defined below), then conditioned upon Employee executing a Release (as defined below) following such termination, Employee will be entitled to receive an amount equal to payment of Employee's then-current Base Salary for a period of twelve (12) months (the "Separation Benefits"). The Separation Benefits are conditioned upon Employee executing a separation agreement and release of claims in a form satisfactory to the Company (the "Release") within the time specified therein, which Release is not revoked within any time period allowed for revocation under applicable law. The Separation Benefits will be payable to Employee over time in accordance with the Company's payroll practices and procedures beginning on the sixtieth (60th) day following the termination of Employee's employment with the Company, provided that the Company, in its sole discretion, may begin the payments earlier, if such earlier payment will not change the tax year in which the payments would otherwise begin. For avoidance of doubt, the termination of Employee's employment as a result of Employee's death or Disability will not constitute a termination without Cause triggering the rights described in this Section 4(c).

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

(e) GOOD REASON. In order for Employee to resign for Good Reason, Employee must provide written notice to the Company of the existence of the Good Reason condition within

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

(f) INTERNAL REVENUE CODE SECTION 409A.

(i) Employee acknowledges and agrees that the Company does not guarantee the tax treatment or tax consequences associated with any payment or benefit arising under this Agreement, including but not limited to consequences related to Code Section 409A.

(ii) In the event that any payments or benefits set forth in this Agreement constitute "non-qualified deferred compensation" subject to Code Section 409A, then the following conditions apply to such payments or benefits:

(A) Any termination of Employee's employment triggering payments or benefits under Section 4 must constitute a "separation from service" under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h) before distribution of such benefits can commence. To the extent that the termination of Employee's employment does not constitute a separation of service under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h) (as the result of further services that are reasonably anticipated to be provided by Employee to the Company at the time Employee's employment terminates), any such payments under Section 4 that constitute deferred compensation under Code Section 409A will be delayed until after the date of a subsequent event constituting a separation of service under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h). For purposes of clarification, this Section 4(f) will not cause any forfeiture of benefits on Employee's part, but will only act as a delay until such time as a "separation from service" occurs.

(B) Notwithstanding any other provision with respect to the timing of payments or benefits under Section 4 if, on the date of termination of Employee's employment, Employee is deemed to be a "specified employee" of the Company (within the meaning of Section 409A(a)(2)(B)(i) of the Code), then limited only to the extent necessary to comply with the requirements of Code Section 409A, any payments or benefits to which Employee may become entitled under Section 4 which are subject to Code Section 409A (and not otherwise exempt from its application) will be withheld until the first (1st) business day of the seventh (7th)

month following the termination of Employee's employment, at which time Employee will be paid an aggregate amount equal to the accumulated, but unpaid, payments or benefits otherwise due to Employee under the terms of Section 4.

(iii) It is intended that each installment of the payments and benefits provided under Section 4 of this Agreement will be treated as a separate "payment" for purposes of Code Section 409A. Neither the Company nor Employee will have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Code Section 409A. Notwithstanding any other provision of this Agreement to the contrary, this Agreement will be interpreted and at all times administered in a manner that avoids the inclusion of compensation in income under Code Section 409A, or liability for increased taxes, excise taxes or other penalties under Code Section 409A. The parties intend this Agreement to be in compliance with Code Section 409A.

(g) INTERNAL REVENUE CODE SECTION 280G.

(i) If any payment or benefit Employee would receive under this Agreement, when combined with any other payment or benefit Employee receives pursuant to a Change in Control (for purposes of this section, a "Payment") would constitute a "parachute payment" within the meaning of Code Section 280G and, but for this sentence, be subject to the excise tax imposed by Code Section 4999 (the "Excise Tax"), then such Payment will be either: (A) the full amount of such Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax; or (B) such lesser amount (a "Reduced Payment") as would result in no portion of the Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local employments taxes, income taxes and the Excise Tax, results in Employee's receipt, on an after-tax basis, of the greater amount of the Payment.

(ii) With respect to the paragraph above, if a Reduced Payment is required and there is more than one method of reducing the Reduced Payment amount that would result in no portion of the Payment being subject to the Excise Tax, then the Payment will be reduced or eliminated in the following order (to the extent such reduction is required pursuant to the paragraph above): (A) cash severance, (B) any payment or benefit in respect of any equity award that is treated as contingent on the change in ownership or control but is not covered by Treas. Reg. Section 1.280G-1 Q/A 24(b) or (c), and (C) any payment or benefit in respect of an equity award that is covered by Treas. Reg. Section 1.280G-1 Q/A 24(c), in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the determination (as hereinafter defined).

(iii) The determination of whether subsection (i)(A) or (B) applies, and the calculation of the amount of the Reduced Payment if applicable, will be performed by a nationally recognized certified public accounting firm as may be designated by the Company (the "Accounting Firm"). The Accounting Firm will provide detailed supporting calculations to both the Company and Employee within fifteen (15) business days of the receipt of notice from Employee that there has been a Payment, or such earlier time as is requested by the Company, in a form that can be relied upon for tax filing purposes. All fees and expenses of the Accounting Firm will be borne solely by the Company.

(iv) Employee may receive a Payment that is, in the aggregate, either more or less than the amount described in subsection (i)(A) or (B) (as applicable, an "Overpayment" or "Underpayment"). If it is finally determined by a court of competent jurisdiction pursuant to a final non-appealable judgment, or the Internal Revenue Service, or by the Accounting Firm upon request by either the Company or Employee, that an Overpayment or Underpayment has been made, then: (A) in the event of an Overpayment, Employee will promptly repay the Overpayment to the Company, together with interest on the Overpayment at the applicable federal rate from the date of Employee's receipt of such Overpayment until the date of such repayment; and (B) in the event of an Underpayment, the Company will promptly pay an amount equal to the Underpayment to Employee, together with interest on such amount at the applicable federal rate from the date such amount would have been paid to Employee had the provisions of subsection (i)(B) not been applied until the date of payment.

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

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

6. COVENANT AGREEMENTS. In light of the competitive and proprietary aspects of the Company's business, and as a condition of employment hereunder, Employee acknowledges and agrees that Employee will be required to execute and abide by the Company's Non-Competition and Non-Solicitation Agreement and the Company's Confidentiality and Inventions Agreement.

7. NOTICES. All notices, requests, consents and other communications hereunder will be in writing; in the case of Employee will be addressed to Employee's address shown on the Company's records, and in the case of the Company will be addressed to General Counsel, G1 Therapeutics, Inc., 700 Park Offices Drive, Suite 200, Research Triangle Park, NC 27709, or to such other address as a party may designate by notice hereunder, and will be either (i) delivered by hand, (ii) sent by overnight courier, (iii) sent by registered mail, return receipt requested, postage prepaid; or (iv) by electronic mail. All notices, requests, consents and other communications hereunder will be deemed to have been given either (A) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth herein, (B) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, (C) if sent by registered mail, on the fifth business day following the day such mailing is made or (D) if by electronic mail, then immediately upon delivery thereof to the receiving party's email address.

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

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

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

11. ENTIRE AGREEMENT; OTHER AGREEMENTS. This Agreement, along with the agreements specifically referenced herein (e.g., the Equity Plan and any agreement executed pursuant thereto, the Company's Executive Deferred Savings Plan, the Non-Competition and Non-Solicitation Agreement, the Confidentiality and Inventions Agreement), contains the entire agreement and understanding by and between the Company and Employee with respect to the subject matter hereof. Any representations, promises, agreements or understandings, written or oral, not herein contained will be of no force or effect.

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

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

14. SEVERABILITY. Each provision of this Agreement is severable from every other provision of this Agreement. Any provision of this Agreement that is determined by any court of competent jurisdiction to be invalid or unenforceable will not affect the validity or enforceability

of any other provision. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

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

[Signature Page Follows]

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

G1 THERAPEUTICS, INC.	EMPLOYEE
By: */s/ Garry A. Nicholson*	*/s/ John E. Bailey, Jr.*
Name: Garry A. Nicholson	Name: John E. Bailey, Jr.
Title: Chair	

Exhibit 10.2

September 29, 2020

John E. Bailey, Jr.
11316 Moonsprite Way
Raleigh, NC 27614

Re: Senior Advisor Agreement

Dear Jack:

I am providing this letter agreement (the "Senior Advisor Agreement") to confirm the terms of your senior advisor engagement with G1 Therapeutics, Inc. (the "Company"). We appreciate all of your efforts and contributions to the Company as a member of our Board of Directors (the "Board") and look forward to entering into this senior advisor engagement to continue our valuable work relationship with each other.

1. Senior Advisor Term. You will serve as a Senior Advisor as described herein for the period between October 1, 2020 and December 31, 2020 (the "Senior Advisor Term"). Notwithstanding the foregoing, please note that either you or the Company may earlier terminate this Senior Advisor engagement. During the Senior Advisor Term you will serve as senior advisor to the Company's Chief Executive Officer ("CEO"), providing advice and assistance to the CEO and other services as reasonably requested by the CEO (the "Senior Advisor"). The Company will pay you a fee of $60,000.00 per month for your services (the "Senior Advisor Fee"), paid in accordance with the Company's normal practices. In addition, the Company will reimburse you for business-related expenses incurred as a Senior Advisor, pursuant to the terms and conditions of applicable Company policies. Upon conclusion of the Senior Advisor Term, you will be entitled to payment of any due but unpaid Senior Advisor Fee for services performed prior to the conclusion of the Senior Advisor Term, without further obligation by the Company.

2. Director. You and the Company agree that you will continue to serve as a member of the Company's Board, and your service as a Senior Advisor is separate from, and will not impact, your role as a member of the Board, which will remain subject to the terms of your Director Agreement and the Non-Employee Director Compensation Policy.

3. Independent Contractor Status. As a Senior Advisor, you will be an independent contractor to the Company; you will not be considered an employee for purposes of any Company employment policy, plan or program, and will not act as an agent of the Company or have authority to bind, represent or speak for the Company, other than as a member of the Board. The Company will record Senior Advisor Fee payments on an IRS Form 1099, and will not withhold any federal, state or local employment taxes from the Senior Advisor Fee on your behalf; you agree to pay such taxes and accept liability for complying with applicable state and federal laws governing self-employed individuals. The Company does not guarantee the tax treatment associated with payment of the Senior Advisor Fee hereunder.

4. Confidentiality. You will keep in strict confidence and will not disclose or make available to third parties any information, technical data, know-how or documents relating to (i)

your services under this Senior Advisor Agreement, or (ii) the research, developments, inventions, processes, trade secrets, data, techniques, designs, drawings, products, product plans, services, customers, marketing, software, finances, business methods, business or affairs or confidential or proprietary information of the Company (other than information in the public domain through no fault of your own) (collectively, "Confidential Information"), except with the prior written consent of the Company, and you will only use Confidential Information as necessary to perform services under this Senior Advisor Agreement or under any other agreement pursuant to which you are providing services on behalf of the Company. Your obligations under this paragraph will survive expiration of this Senior Advisor Agreement for a period of three (3) years from the date of expiration. Notwithstanding the foregoing, any trade secrets of the Company will be entitled to all of the protections and benefits under the North Carolina Trade Secrets Protection Act and any other applicable law, and the protections provided for in this paragraph will remain in effect indefinitely as to Confidential Information that is a trade secret (as defined by statute and common law).

5. Intellectual Property. You will promptly disclose and hereby transfer and assign to the Company all right, title and interest in and to all techniques, methods, processes, software, documents, formulae, improvements, inventions and discoveries (and any patents issuing thereon) made or conceived or reduced to practice by you, solely or jointly with others, in the course of this Senior Advisor Agreement or with the use of materials or facilities of the Company during the Senior Advisor Term, and all intellectual property rights related to any of the foregoing (collectively "Inventions"). You will not publish any such Invention without the Company's prior written consent. When requested by the Company, you will make available to the Company all papers, notes, drawings, data and other information relating to any such Inventions. You will promptly sign any documents (including U.S. and foreign copyright, trademark and patent assignments) requested by the Company related to the above assignment of rights and such Inventions and will cooperate with the Company at the Company's request and expense in preparation and prosecution of any U.S. or foreign copyright, trademark or patent applications related to such rights and Inventions. Your obligations under this paragraph will survive expiration of this Senior Advisor Agreement for the period of three (3) years from the date of expiration. Your obligations under this paragraph will not apply to a particular circumstance to the extent such obligations are unenforceable in such circumstance pursuant to the provisions of North Carolina General Statute Section 66-57.1 et seq. (as amended from time to time), provided that your obligations under this paragraph will continue to be binding upon you in all other circumstances. You will bear the burden of proof in establishing the applicability of such statute to a particular circumstance.

6. No Conflicts. Your services as a Senior Advisor are essential to the Company. You represent and warrant that you have no commitments or obligations inconsistent with this Senior Advisor Agreement, and that you will not enter into any agreement or engagement in conflict with your role and responsibilities hereunder.

7. General. This Senior Advisor Agreement contains the entire agreement and understanding by and between you and the Company with respect to the terms described herein, and any representations, promises, agreements or understandings, written or oral, not herein contained will be of no force or effect. No modification of this Senior Advisor Agreement will be

valid or binding unless the same is in writing and signed by the parties hereto. No waiver of any provision of this Senior Advisor Agreement will be valid unless the same is in writing and signed by the party against whom such waiver is sought to be enforced. The failure of either party to seek enforcement of any provision of this Senior Advisor Agreement in any instance or for any period of time will not be construed as a waiver of such provision or of such party's right to seek enforcement of such provision in the future. This Senior Advisor Agreement will be deemed to have been made in North Carolina and will be construed in accordance with the laws of North Carolina without giving effect to conflict of law principles. Each provision of this Senior Advisor Agreement is severable from every other provision of this Senior Advisor Agreement. Any provision of this Senior Advisor Agreement that is determined by any court of competent jurisdiction to be invalid or unenforceable will not affect the validity or enforceability of any other provision. This Senior Advisor Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same agreement. Facsimile or PDF reproductions of original signatures will be deemed binding for the purpose of the execution of this Senior Advisor Agreement.

(Signature Page Follows)

If this Senior Advisor Agreement is acceptable to you, please sign, date and return the enclosed copy of this Senior Advisor Agreement to me

Very truly yours,

G1 Therapeutics, Inc.

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

Confirmed and Agreed:

/s/ John E. Bailey, Jr.
John E. Bailey, Jr.

Dated: September 29, 2020

Exhibit 10.3

September 29, 2020

Mark A. Velleca, M.D., Ph.D.
1306 N. Duke Street
Durham, NC 27701

Re: Senior Advisor Agreement

Dear Mark:

I am providing this letter agreement (the "Agreement") to confirm the terms of your senior advisor engagement with G1 Therapeutics, Inc. (the "Company"). We appreciate all of your efforts and contributions to the Company, and look forward to entering into this engagement and continuing our valuable work relationship with each other.

1. Senior Advisor. We anticipate that you shall continue to serve as the Company's Chief Executive Officer under your Employment Agreement with the Company (as amended, the "Employment Agreement"), then transition to the role of senior advisor to the Company. You shall perform services as a Senior Advisor for a period of three (3) years, from January 1, 2021 (the "Advisor Start Date") through December 31, 2023 (the "Senior Advisor Term"). As a Senior Advisor, you shall report to the Company's Chief Executive Officer ("CEO"), and provide advice and assistance to the CEO and other services as reasonably requested by the CEO. It is anticipated that you shall perform services as a Senior Advisor on average of five (5) hours per week. The Company shall pay you a fee of $200,000.00 annually for your services (the "Senior Advisor Fee"), paid in equal quarterly installments of $50,000.00 in accordance with the Company's normal practices. In addition, the Company shall reimburse you for business related expenses incurred as a Senior Advisor, pursuant to the terms and conditions of applicable Company policies. You may terminate your services as a Senior Advisor upon one hundred and eighty (180) days' advance written notice to the Company, or immediately for cause in the event of the material breach by the Company of its obligations hereunder or under any other agreement between you and the Company. The Company may terminate your services as a Senior Advisor immediately for cause in the event of your gross negligence, willful misconduct, or material breach of your obligations hereunder, provided that you shall have the opportunity to cure any alleged material breach following notice to you describing the basis therefor.

2. Director. You and the Company agree that you shall continue to serve as a member of the Company's Board of Directors (the "Board"), subject to the terms and conditions of the Company's standard form Director Agreement and Non-Employee Director Compensation Policy. In such role, you shall receive an annual cash payment for services, but no future equity grants as a director.

3. Equity. You and the Company acknowledge and agree that you have been granted options to purchase common stock in the Company (the "Options") prior to the Advisor Start Date, pursuant to the Company's 2011 Equity Incentive Plan (the "2011 Plan") and 2017 Equity Incentive Plan (the "2017 Plan") (collectively, the "Equity Incentive Plans") and stock option agreements executed by you pursuant thereto. As we have agreed: (a) no additional equity shall be

granted to you during the Senior Advisor Term; (b) as a Senior Advisor you shall qualify as a consultant and/or service provider under the Equity Incentive Plans; (c) rights and obligations with respect to vesting and exercise of the Options shall remain subject to the terms and conditions of the Equity Incentive Plans; and (d) continued vesting of outstanding Options shall be subject to your continued compliance with the Continuing Covenants. Notwithstanding the foregoing, in the event of a Change in Control (as defined below), 100% of any unvested portion of the Options shall vest immediately prior to, and subject to, the consummation of the Change in Control. For the purposes of this paragraph, a "Change in Control" means (i) the Company's merger or consolidation with or into another entity such that the stockholders of the Company prior to such transaction do not or are not expected to own a majority of the voting stock of the surviving entity, (ii) the sale or other disposition of all or substantially all of the assets of the Company, or (iii) the sale or other disposition of greater than fifty percent (50%) of the then-outstanding voting stock of the Company by the holders thereof to one or more persons or entities who are not then stockholders of the Company.

4. Continuing Covenants. We acknowledge and agree that your obligations under your existing confidentiality and intellectual property covenants contained in Sections 6 and 7 of the Employment Agreement and any similar covenants applicable to you (collectively the "Continuing Covenants") shall remain in effect following the Advisor Start Date pursuant to their terms, which are incorporated herein and shall survive the signing of this Agreement.

5. Acknowledgement and Waiver Regarding Employment Agreement. As stated above, prior to the Senior Advisor Term you shall continue in your role as Chief Executive Officer of the Company under the Employment Agreement. Your employment with the Company shall conclude on the Advisor Start Date, and your eligibility and entitlements under Company-provided employment plans or programs shall be governed by the terms and conditions of such plans or programs (including, for instance, the impact of employment separation on benefits eligibility). Notwithstanding the foregoing: (a) by signing below, you expressly acknowledge and agree that the execution of this Agreement and the conclusion of your role as Chief Executive Officer as described herein shall not constitute a termination without "Cause" or a resignation for "Good Reason" (as those terms are defined in the Employment Agreement); and (b) by signing below, you expressly waive your right to receive the Separation Benefits described in Section 4 of the Employment Agreement, and acknowledge that such waiver constitutes a valid waiver in writing signed by the waiving party pursuant to Section 10 of the Employment Agreement. Except as otherwise stated in this Agreement, on the Advisor State Date this Agreement shall supersede the terms of the Employment Agreement, and shall be the sole agreement between you and the Company.

6. Release. In exchange for the mutual promises and consideration provided in this Agreement, you waive and release your right to assert a legal claim against the Company[1/] for any alleged action, inaction or circumstance existing or arising from the beginning of time through the date of this Agreement. This waiver and release bars any form of legal claim, complaint or other action (jointly "Claims") against the Company seeking any form of relief, including equitable relief, the recovery of any damages, or any other form of monetary recovery (including, without

1 / For the purposes of this section, the "Company" shall include G1 Therapeutics, Inc., its divisions, affiliates, parents and subsidiaries, and its and their respective officers, directors, employees, attorneys, agents and assigns.

limitation, back pay, front pay, compensatory damages, emotional distress damages, punitive damages, attorney's fees and any other costs), for any alleged action, inaction or circumstance existing or arising through the date of this Agreement. Without limiting the foregoing, you specifically waive and release the Company from any waivable claim arising from or related to your relationship with the Company, including: (i) Claims under any local, state, or federal employment-related statute, regulation, or executive order (as amended) relating to the employment relationship, including but not limited to the Age Discrimination in Employment Act, the Civil Rights Acts of 1866 and 1871, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Equal Pay Act, the Americans With Disabilities Act, the Family and Medical Leave Act, the Genetic Information Non-Discrimination Act, the Families First Coronavirus Response Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, the National Labor Relations Act, the Employee Retirement Income Security Act of 1974, COBRA, the Worker Adjustment and Retraining Notification Act, the Lilly Ledbetter Fair Pay Act, the North Carolina Equal Employment Practices Act, the North Carolina Retaliatory Employment Discrimination Act, the North Carolina Persons with Disabilities Protection Act, and any similar North Carolina or other state or federal statute; (ii) Claims under any other statute, regulation or executive order (as amended) relating to terms and conditions of employment, including any North Carolina or other state or federal statute; (iii) Claims under any North Carolina or other state or federal common law theory, including wrongful discharge, breach of express or implied contract, promissory estoppel, unjust enrichment, breach of the covenant of good faith and fair dealing, retaliation, violation of public policy, defamation, interference with contractual relations, intentional or negligent infliction of emotional distress, invasion of privacy, misrepresentation, deceit, fraud, or negligence, or any claim to attorneys' fees under any applicable statute or common law theory of recovery; (iv) Claims to any Separation Benefit described in Section 4 of the Employment Agreement.

For the avoidance of doubt, the release in the above paragraph shall not: (i) include any claims relating to the obligations of the Company under this Agreement; (ii) affect your vested and accrued rights as a participant in the Company's 401(k) plan or other benefit plan; or (iii) affect your rights with respect to stock option awards as described in this Agreement. In addition, the parties understand that nothing contained in this Agreement limits your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission (the "Government Agencies"), or limits your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agencies, including providing documents or other information, without notice to Company, or limits your right to receive an award for information provided to any Government Agencies. You understand, however, that, except as limited by the immediately preceding sentence, by signing this Agreement, you waive your right to any monetary recovery in connection with Government Agencies proceedings and your right to file a claim seeking monetary damages in any court, administrative agency or arbitral tribunal.

7. Independent Contractor Status. As a Senior Advisor, you shall be an independent contractor, and you shall not be considered an employee for purposes of any Company employment policy, plan or program. While serving as a Senior Advisor, you shall not act as an

agent of the Company, or have authority to bind, represent or speak for the Company, other than as a member of the Board. The Company shall record Senior Advisor Fee payments on an IRS Form 1099, and shall not withhold any federal, state or local employment taxes from the Senior Advisor Fee on your behalf; you agree to pay such taxes and accept liability for complying with applicable state and federal laws governing self-employed individuals. Please note that you shall be free to provide professional consulting services to individuals or entities other than the Company during the Senior Advisor Term, provided you meet your service obligations to the Company as described herein, and further provided that you may not render services in a manner that violates your legal obligations, including pursuant to the Continuing Covenants.

8. Taxes. Both parties intend this Agreement to be in compliance with Section 409A of the Internal Revenue Code of 1986 (as amended). The Company does not guarantee the tax treatment or tax consequences associated with any payment or benefit arising under this Agreement, including, without limitation, related to Code Section 409A. In the event any payments or benefits are deemed by the IRS to be non-compliant, this Agreement, at your option, shall be modified to the extent practicable, so as to make it compliant by altering the payments or benefits, or the timing of their receipt, provided that no such modification shall increase the Company's obligations hereunder.

9. General. The parties acknowledge and agree that, except for the Continuing Covenants, the Equity Incentive Plans and any applicable stock option agreement executed by you pursuant thereto, this Agreement supersedes any prior or contemporaneous oral and/or written agreements between you and the Company relating to the subject matter described herein, and sets forth the entire agreement between you and the Company relating to such subject matter. No modifications hereof shall be deemed valid unless reduced to writing and signed by the parties. The failure of either party to seek enforcement of any provision of this Agreement in any instance or for any period of time shall not be construed as a waiver of such provision or of such party's right to seek enforcement of such provision in the future. This Agreement shall be deemed to have been made in North Carolina and shall be construed in accordance with the laws of North Carolina without giving effect to conflict of law principles. The provisions of this Agreement are severable, and if for any reason any part hereof shall be found to be unenforceable, the remaining provisions shall be enforced in full, provided, however, that if any or all of the release herein is held unenforceable, this Agreement except for such release shall be deemed null and void.

By executing this Agreement, the parties each acknowledge and agree that: (1) the party has carefully read and understood the terms and effects of this Agreement; (2) the party has been afforded sufficient time to understand the terms and effects of this Agreement; (3) the party's agreements and obligations hereunder are made voluntarily, knowingly and without duress; and (4) neither party or its agents or representatives have made any representations inconsistent with the provisions of this Agreement.

[Signature Page Follows]

If this Agreement is acceptable to you, please sign, date and return the enclosed copy of this Agreement to me.

Very Truly Yours,

G1 Therapeutics, Inc.

/s/ James Stillman Hanson
By: James Stillman Hanson
Its: General Counsel

Confirmed and Agreed:

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

Dated: September 29, 2020

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark A. Velleca, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: November 4, 2020

By: /s/ Mark A. Velleca, M.D., Ph.D.

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

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jennifer K. Moses, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: November 4, 2020

By: /s/ Jennifer K. Moses

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

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of G1 Therapeutics, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

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

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

Date: November 4, 2020

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

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

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of G1 Therapeutics, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of her knowledge:

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

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

Date: November 4, 2020

By: /s/ Jennifer K. Moses
Jennifer K. Moses
Chief Financial Officer
(Principal Financial Officer)

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