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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2024

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: 000-50633

CYTOKINETICS, INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware	**94-3291317**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
350 Oyster Point Blvd. South San Francisco, California	**94080**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (650) 624-3000

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

Title of each class	**Trading symbol**	**Name of each exchange on which registered**
Common Stock, $0.001 par value	**CYTK**	**The Nasdaq Global Select 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, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ 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 ☒

Number of shares of common stock, $0.001 par value, outstanding as of August 7, 2024: 117,659,578

CYTOKINETICS, INCORPORATED
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FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024

GLOSSARY OF TERMS

Unless the context requires otherwise, references to "Cytokinetics," "the Company," "we," "us" or "our" in this Quarterly Report on Form 10-Q refer to Cytokinetics, Incorporated and its subsidiaries. References to "Notes" in this Form 10-Q are to the Notes to the Condensed Consolidated Financial Statements in this Form 10-Q. We also have used other specific terms in this Form 10-Q, most of which are explained or defined below:

Term/Abbreviation	Definition
2004 Plan	Cytokinetics' Amended and Restated 2004 Equity Incentive Plan
2020 RTW Transactions	The transactions contemplated by the RTW Royalty Purchase Agreement, Ji Xing Aficamten License Agreement and the Common Stock Purchase Agreements, dated July 14, 2020, by and between Cytokinetics and the RTW Investors
2021 RTW Transactions	The transactions contemplated by the Ji Xing OM License Agreement and the Common Stock Purchase Agreements, dated December 20, 2021 by and between Cytokinetics and the RTW Investors
2022 RPI Transactions	The transactions contemplated by the RP Multi Tranche Loan Agreement and the RP Aficamten RPA
2024 RPI Transactions	The transactions contemplated by the 2024 RP OM Loan Agreement, the RP CK-586 RPA, the RP Stock Purchase Agreement, the 2022 RP Multi Tranche Loan Agreement Amendment and the RP Aficamten RPA Amendment
2026 Notes	Cytokinetics' 4% convertible senior notes due 2026
2027 Indenture	Indenture Agreement, dated July 6, 2022, between Cytokinetics and U.S. Bank Trust Company, as trustee
2027 Notes	Cytokinetics' 3.50% convertible senior notes due 2027
ACA	Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act
ACACIA-HCM	Assessment Comparing Aficamten to Placebo on Cardiac Endpoints In Adults with Non-Obstructive HCM
ACC	American College of Cardiology
AHA	American Heart Association
ALS	amyotrophic lateral sclerosis (also known as Lou Gehrig's Disease)
ALSFRS-R	ALS Functional Rating Scale – Revised
Amended ATM Facility	amended and restated Controlled Equity Offering Sales Agreement
Amgen Agreement	Collaboration and Option Agreement, dated December 29, 2006, as amended, between Cytokinetics and Amgen
ARR	absolute risk reductions
Astellas Agreement	License and Collaboration Agreement, dated June 21, 2013, between Cytokinetics and Astellas
Astellas FSRA Agreement	Fast Skeletal Regulatory Activator Agreement, dated April 23, 2020 between Cytokinetics and Astellas
Astellas OSSA Agreement	License and Collaboration Agreement for Other Skeletal Sarcomere Activators, dated April 23, 2020, as amended, between Cytokinetics and Astellas
cGMP	current Good Manufacturing Practice
Cantor	Cantor Fitzgerald & Co.
China	People's Republic of China (including the Hong Kong and Macau SARs)
CMC	Chemistry, Manufacturing and Controls
CMO	Contract Manufacturing Organizations
Common Stock	our common stock, par value $0.001 per share
Compensation Committee	Compensation and Talent Committee of Cytokinetics' Board of Directors
Convertible Notes	2026 Notes and 2027 Notes

COURAGE-ALS	Clinical Outcomes Using Reldesemtiv on ALSFRS-R in a Global Evaluation in ALS
CPET	cardiopulmonary exercise testing
CRL	Complete Response Letter
CRO	Contract Research Organization
CV	cardiovascular
E.U. or EU	European Union
EEA	European Economic Area
EMA	European Medicines Agency
ESPP	employee stock purchase plan
Exchange Act	Securities Exchange Act of 1934, as amended
FDA	U.S. Food and Drug Administration
Final Payment Amount	As defined in Part I, Item 2 (Management's Discussion and Analysis of Financial Conditions and Results of Operations) of this Quarterly Report on Form 10-Q – Sources and Uses of Cash, Royalty Pharma Transactions
FOREST-HCM	Five-Year, Open-Label, Research Evaluation of Sustained Treatment with Aficamten in HCM
FSRA	fast skeletal regulatory activator
FSTA	fast skeletal muscle troponin activator
Fundamental Change	As defined in the 2027 Indenture
GAAP	Generally Accepted Accounting Principles in the U.S.
GALACTIC-HF	Global Approach to Lowering Adverse Cardiac Outcomes Through Improving Contractility in Heart Failure
GCP	Good Clinical Practice
GDPR	General Data Protection Regulation ((EU) 2016/679)
HCM	hypertrophic cardiomyopathy
HFpEF	heart failure with preserved ejection fraction
HFrEF	heart failure with reduced ejection fraction
HFSA	Heart Failure Society of America
HHS	U.S. Department of Health and Human Services
HIPAA	The federal Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act
ICER	Institute for Clinical and Economic Review
IND	Investigational New Drug
IRA	Inflation Reduction Act of 2022
IRB	Institutional Review Board
Ji Xing	Ji Xing Pharmaceuticals Limited and/or its affiliates, including Ji Xing Pharmaceuticals Hong Kong Limited
Ji Xing Aficamten License Agreement	License and Collaboration Agreement, dated July 14, 2020, by and between Cytokinetics and Ji Xing Pharmaceuticals Limited
Ji Xing Agreements	Ji Xing Aficamten License Agreement and Ji Xing OM License Agreement
Ji Xing OM License Agreement	License and Collaboration Agreement, dated December 20, 2021, by and between Cytokinetics and Ji Xing Pharmaceuticals Limited
KCCQ	Kansas City Cardiomyopathy Questionnaire
KCCQ-OSS	KCCQ Overall Summary Score
Lenders	Silicon Valley Bank and Oxford Finance LLC

LVEF	left ventricular ejection fraction
LVOT	left ventricular outflow tract
LVOT-G	left ventricular outflow tract gradient
MAA	Marketing Authorization Application
MAPLE-HCM	**M**etoprolol vs **A**ficamten in **P**atients with **L**VOT Obstruction on **E**xercise **E**ndpoints Capacity in **HCM**
Mavacamten Royalty	certain payments on the net sales of products containing the compound mavacamten pursuant to the Research Collaboration Agreement, dated August 24, 2012, between Cytokinetics and MyoKardia, Inc.
NDA	New Drug Application
nHCM	non-obstructive HCM
NOLs	net operating loss carryforward
NYHA	New York Heart Association
oHCM	obstructive HCM
OLE	Open-Label Extension
Ownership Change	As defined in Part II, Item 1A (Risk Factors) of this Quarterly Report on Form 10-Q, General Risks
Oxford	Oxford Finance LLC
Oyster Point Lease	Lease, dated July 24, 2019, by and between Cytokinetics and KR Oyster Point 1, LLC, as amended
Partial Redemption Limitation	As defined in the 2027 Indenture
PSU	Performance Stock Unit
Radnor Lease	As defined in Part I, Item 1 (Financial Statements (Unaudited)), Notes to Condensed Consolidated Financial Statements of this Quarterly Report on Form 10-Q - Note 9 (Commitments and Contingencies) – Operating Leases
REDWOOD-HCM	Randomized Evaluation of Dosing With CK-274 in Obstructive Outflow Disease in HCM
REDWOOD-HCM OLE	Randomized Evaluation of Dosing With CK-274 in Obstructive Outflow Disease in HCM Open Label Extension
REMS	Risk Evaluation and Mitigation Strategy
RP Aficamten RPA	Revenue Participation Right Purchase Agreement, dated January 7, 2022, by and between Cytokinetics and Royalty Pharma Investments 2019 ICAV
RP Aficamten RPA Amendment	Amendment No. 1, dated May 22, 2024, to Revenue Participation Right Purchase Agreement, dated January 7, 2022, by and between Cytokinetics and Royalty Pharma Investments 2019 ICAV
RP CK-586 RPA	CK-586 Revenue Participation Right Purchase Agreement, dated May 22, 2024, by and between Cytokinetics and Royalty Pharma Investments 2019 ICAV
RP Multi Tranche Loan Agreement	Development Funding Loan Agreement, dated January 7, 2022, by and among Royalty Pharma Development Funding, LLC and Cytokinetics
RP Multi Tranche Loan Agreement Amendment	Third Amendment, dated May 22, 2024, to Development Funding Loan Agreement, dated January 7, 2022, by and among Royalty Pharma Development Funding, LLC and Cytokinetics
RP OM Liability	As defined in Part I, Item 1 (Financial Statements (Unaudited)), Notes to Condensed Consolidated Financial Statements of this Quarterly Report on Form 10-Q - Note 6 (Agreements with Royalty Pharma) – 2017 RP Omecamtiv Mecarbil Royalty Purchase Agreement
RP OM Loan Agreement	2024 Development Funding Loan Agreement, dated May 22, 2024, by and among Royalty Pharma Development Funding, LLC and Cytokinetics
RP OM RPA	Royalty Purchase Agreement, dated February 1, 2017, by and between the Cytokinetics and RPI Finance Trust, as amended by Amendment No. 1, dated January 7, 2022

RP Stock Purchase Agreement	Common Stock Option and Purchase Agreement, dated May 22, 2024, by and between Cytokinetics and Royalty Pharma Investments 2019 ICAV
RPDF	Royalty Pharma Development Funding, LLC
RPFT	RPI Finance Trust
RPI ICAV	Royalty Pharma Investments 2019 ICAV
RSU	Restricted Stock Unit
RTW ICAV	RTW Investments ICAV for RTW Fund 1
RTW Investors	RTW Master Fund, Ltd., RTW Innovation Master Fund, Ltd. and RTW Venture Fund Limited
RTW Royalty Holdings	RTW Royalty Holdings Designated Activity Company
RTW Royalty Purchase Agreement	Royalty Purchase Agreement, dated July 14, 2020, between Cytokinetics and RTW Royalty Holdings
Section 382	Section 382 of the Internal Revenue Code
Securities Act	Securities Act of 1933, as amended
SEQUOIA-HCM	Safety, Efficacy, and Quantitative Understanding of Obstruction Impact of Aficamten in HCM
SGLT2	sodium-glucose cotransporter-2
SMA	spinal muscular atrophy
SPA	Special Protocol Assessment
Tax Act	Tax Cuts and Jobs Act
Term Loan Agreement	Loan and Security Agreement, dated as of October 19, 2015, by and among Cytokinetics, Oxford Finance LLC and Silicon Valley Bank and Loan and Security Agreement, dated as of May 17, 2019, by and among Cytokinetics, Oxford Finance LLC and Silicon Valley Bank
U.S. or US	United States

This Form 10-Q includes discussion of certain clinical studies relating to various in-line products and/or product candidates. These studies typically are part of a larger body of clinical data relating to such products or product candidates, and the discussion herein should be considered in the context of the larger body of data. In addition, clinical trial data are subject to differing interpretations, and, even when we view data as sufficient to support the safety and/or effectiveness of a product candidate or a new indication for an in-line product, regulatory authorities may not share our views and may require additional data or may deny approval altogether.

CYTOKINETICS and our C-shaped logo are registered trademarks of Cytokinetics in the U.S. and certain other countries. Other service marks, trademarks and trade names referred to in this report are the property of their respective owners.

The information contained on our website, our Facebook, Instagram, YouTube and LinkedIn pages or our Twitter accounts, or any third-party website, is not incorporated by reference into this Form 10-Q.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CYTOKINETICS, INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands) (Unaudited)

	June 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 190,142	$ 113,024
Short-term investments	866,633	501,800
Accounts receivable	—	1,283
Prepaid expenses and other current assets	11,035	11,944
Total current assets	1,067,810	628,051
Long-term investments	305,361	40,534
Property and equipment, net	65,689	68,748
Operating lease right-of-use assets	77,249	78,987
Other assets	7,679	7,996
Total assets	$ 1,523,788	$ 824,316
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 9,470	$ 21,507
Accrued liabilities	39,813	42,641
Short-term operating lease liabilities	18,507	17,891
Current portion of long-term debt	11,520	10,080
Derivative liabilities measured at fair value	13,200	—
Other current liabilities	10,267	10,559
Total current liabilities	102,777	102,678
Term loans, net	92,831	58,384
Convertible notes, net	550,600	548,989
Liabilities related to revenue participation right purchase agreements, net	435,112	379,975
Long-term operating lease liabilities	116,718	120,427
Liabilities related to RPI Transactions measured at fair value	117,200	—
Other non-current liabilities	—	186
Total liabilities	1,415,238	1,210,639
Commitments and contingencies		
Stockholders' equity (deficit):		
Preferred stock	—	—
Common stock	117	102
Additional paid-in capital	2,500,654	1,725,823
Accumulated other comprehensive loss	(1,022)	(10)
Accumulated deficit	(2,391,199)	(2,112,238)
Total stockholders' equity (deficit)	108,550	(386,323)
Total liabilities and stockholders' equity (deficit)	$ 1,523,788	$ 824,316

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

CYTOKINETICS, INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In thousands, except per share data) (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Revenues:				
Research and development revenues	$ 249	$ 867	$ 1,084	$ 2,980
Milestone revenues	—	—	—	2,500
Total revenues	249	867	1,084	5,480
Operating expenses:				
Research and development	79,597	83,194	161,167	162,615
General and administrative	50,824	39,722	96,324	89,387
Total operating expenses	130,421	122,916	257,491	252,002
Operating loss	(130,172)	(122,049)	(256,407)	(246,522)
Interest expense	(12,732)	(7,045)	(19,835)	(14,006)
Non-cash interest expense on liabilities related to revenue participation right purchase agreements	(11,567)	(6,322)	(21,785)	(12,602)
Interest and other income, net	11,553	6,779	19,466	13,204
Change in fair value of derivative liabilities	(600)	—	(600)	—
Change in fair value of liabilities related to RPI Transactions	200	—	200	—
Net loss	$ (143,318)	$ (128,637)	$ (278,961)	$ (259,926)
Net loss per share — basic and diluted	$ (1.31)	$ (1.34)	$ (2.63)	$ (2.72)
Weighted-average number of shares used in computing net loss per share — basic and diluted	109,240	95,755	106,013	95,461
Other comprehensive (loss) gain:				
Unrealized (loss)/gain on available-for-sale securities, net	(499)	187	(1,055)	2,132
Foreign currency translation adjustments	16	—	43	—
Comprehensive loss	$ (143,801)	$ (128,450)	$ (279,973)	$ (257,794)

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

CYTOKINETICS, INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands, except share data) (Unaudited)

	Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Loss	Deficit	Equity (Deficit)
Balance, December 31, 2023	101,637,922	$ 102	$ 1,725,823	$ (10)	$ (2,112,238)	$ (386,323)
Exercise of stock options	1,466,359	2	29,530	—	—	29,532
Vesting of restricted stock units	695,140	—	—	—	—	—
Shares withheld related to net share settlement of equity awards	(274,256)	—	(18,449)	—	—	(18,449)
Issuance of common stock under at-the-market offering, net of issuance costs	1,237,460	1	93,639	—	—	93,640
Exercise of warrants, net	11,335	—	—	—	—	—
Stock-based compensation	—	—	21,612	—	—	21,612
Other comprehensive loss	—	—	—	(529)	—	(529)
Net loss	—	—	—	—	(135,643)	(135,643)
Balance, March 31, 2024	104,773,960	105	1,852,155	(539)	(2,247,881)	(396,160)
Exercise of stock options	356,281	—	8,007	—	—	8,007
Vesting of restricted stock units	46,034	—	—	—	—	—
Issuance of common stock under Employee Stock Purchase Plan	93,857	—	2,678	—	—	2,678
Issuance of common stock in public offering, net of issuance costs	11,274,510	11	563,193	—	—	563,204
Issuance of common stock in private placement, net of issuance costs	980,392	1	49,999	—	—	50,000
Stock-based compensation	—	—	24,622	—	—	24,622
Other comprehensive loss	—	—	—	(483)	—	(483)
Net loss	—	—	—	—	(143,318)	(143,318)
Balance, June 30, 2024	117,525,034	$ 117	$ 2,500,654	$ (1,022)	$ (2,391,199)	$ 108,550

	Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Loss	Deficit	Deficit
Balance, December 31, 2022	94,833,975	$ 94	$ 1,481,590	$ (3,590)	$ (1,585,994)	$ (107,900)
Exercise of stock options	369,298	—	3,547	—	—	3,547
Vesting of restricted stock units	668,835	—	—	—	—	—
Shares withheld related to net share settlement of equity awards	(262,829)	—	(10,517)	—	—	(10,517)
Stock-based compensation	—	—	15,194	—	—	15,194
Other comprehensive income	—	—	—	1,945	—	1,945
Net loss	—	—	—	—	(131,289)	(131,289)
Balance, March 31, 2023	95,609,279	94	1,489,814	(1,645)	(1,717,283)	(229,020)
Exercise of stock options	206,605	—	3,286	—	—	3,286
Vesting of restricted stock units	46,989	—	—	—	—	—
Issuance of common stock under Employee Stock Purchase Plan	74,937	—	2,401	—	—	2,401
Stock-based compensation	—	—	18,668	—	—	18,668
Other comprehensive income	—	—	—	187	—	187
Net loss	—	—	—	—	(128,637)	(128,637)
Balance, June 30, 2023	95,937,810	$ 94	$ 1,514,169	$ (1,458)	$ (1,845,920)	$ (333,115)

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

CYTOKINETICS, INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands) (Unaudited)

	Six Months Ended	
	June 30, 2024	June 30, 2023
Cash flows from operating activities:		
Net loss	$ (278,961)	$ (259,926)
Adjustments to reconcile net loss to net cash used in operating activities:		
Non-cash interest expense on liabilities related to revenue participation right purchase agreements	21,837	12,662
Stock-based compensation expense	46,234	33,862
Non-cash lease expense	2,049	1,871
Depreciation of property and equipment	4,737	3,703
Change in fair value of derivative liabilities	600	—
Change in fair value of liabilities related to RPI Transactions	(200)	—
Realized gain on investment, net	—	35
Interest receivable and amortization on investments	(13,723)	(6,898)
Non-cash interest expense related to debt	4,541	13,871
Changes in operating assets and liabilities:		
Accounts receivable	1,283	(838)
Prepaid and other assets	1,531	(7,279)
Accounts payable	(12,105)	(12,429)
Accrued and other liabilities	(1,406)	(19,181)
Operating lease liabilities	(3,404)	(194)
Other non-current liabilities	(1,833)	(3,350)
Net cash used in operating activities	(228,820)	(244,091)
Cash flows from investing activities:		
Purchases of investments	(957,890)	(291,371)
Maturities of investments	340,898	535,138
Sales of investments	—	4,977
Purchases of property and equipment	(1,915)	(1,119)
Net cash (used in) provided by investing activities	(618,907)	247,625
Cash flows from financing activities:		
Repayment of finance lease liabilities	(460)	(419)
Repayment of term loans	(3,350)	—
Proceeds from RPI Transactions	200,000	—
Proceeds from issuance of common stock related to at-the-market offering, net of issuance costs	93,640	—
Proceeds from issuance of common stock related to public offering, net of issuance costs	563,204	—
Proceeds from issuance of common stock related to private placement, net of issuance costs	50,000	—
Proceeds from issuance of common stock under equity incentive and stock purchase plans	40,217	9,234
Taxes paid related to net share settlement of equity awards	(18,449)	(10,517)
Net cash provided by (used in) financing activities	924,802	(1,702)
Effect of exchange rate changes on cash	43	—
Net increase in cash, cash equivalents, and restricted cash	77,118	1,832
Cash, cash equivalents, and restricted cash, beginning of period	113,399	67,182
Cash, cash equivalents, and restricted cash, end of period	$ 190,517	$ 69,014
Supplemental cash flow disclosures:		
Cash paid for interest	$ 10,878	$ 9,947
Non-cash investing and financing activities:		
Right-of-use assets recognized in exchange for operating lease obligations	$ 311	$ —
Amounts unpaid for purchases of property and equipment	$ 68	$ —

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

CYTOKINETICS, INCORPORATED
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — Organization and Significant Accounting Policies

Cytokinetics, Incorporated was incorporated under the laws of the state of Delaware on August 5, 1997. The Company is a late-stage biopharmaceutical company focused on the discovery and development of novel small molecule therapeutics that modulate muscle function for the potential treatment of serious diseases and medical conditions.

Our financial statements contemplate the conduct of our operations in the normal course of business. We have incurred an accumulated deficit of approximately $2.4 billion since inception and there can be no assurance that we will attain profitability. We had a net loss of $279.0 million and net cash used in operations of $228.8 million for the six months ended June 30, 2024. Cash, cash equivalents, and investments increased to $1.4 billion as of June 30, 2024 from $0.7 billion as of December 31, 2023. We anticipate that we will have operating losses and net cash outflows in future periods.

We are subject to risks common to late-stage biopharmaceutical companies including, but not limited to, development of new drug candidates, dependence on key personnel, and the ability to obtain additional capital as needed to fund our future plans. Our liquidity will be impaired if sufficient additional capital is not available on terms acceptable to us. To date, we have funded operations primarily through sales of our common stock, contract payments under our collaboration agreements, sales of future revenues and royalties, debt financing arrangements and interest income. Until we achieve profitable operations, we intend to continue to fund operations through payments from strategic collaborations, additional sales of equity securities, grants and debt financings. We have never generated revenues from commercial sales of our drugs and may not have drugs to market for at least several years, if ever. Our success is dependent on our ability to enter into new strategic collaborations and/or raise additional capital and to successfully develop and market one or more of our drug candidates. We cannot be certain that sufficient funds will be available from such a financing or through a collaborator when required or on satisfactory terms. Additionally, there can be no assurance that our drug candidates will be accepted in the marketplace or that any future products can be developed or manufactured at an acceptable cost. These factors could have a material adverse effect on our future financial results, financial position and cash flows.

Based on the current status of our research and development activities, we believe that our existing cash, cash equivalents and investments will be sufficient to fund cash requirements for at least the next 12 months after the issuance of this Quarterly Report on Form 10-Q. If, at any time, our prospects for financing our research and development programs decline, we may decide to reduce research and development expenses by delaying, discontinuing or reducing our funding of one or more of our research or development programs. Alternatively, we might raise funds through strategic collaborations, public or private financings or other arrangements. Such funding, if needed, may not be available on favorable terms, or at all. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis of Presentation

Our condensed consolidated financial statements include the accounts of Cytokinetics and our wholly-owned subsidiaries. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with GAAP for interim financial information and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. The financial statements include all adjustments (consisting only of normal recurring adjustments) that management believes are necessary for the fair statement of our financial information. These interim results are not necessarily indicative of results to be expected for the full fiscal year or any future interim period. The balance sheet as of December 31, 2023 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by GAAP for complete financial statements. The financial statements and related disclosures have been prepared with the presumption that users of the interim financial statements have read or have access to the audited financial statements for the preceding fiscal year. Accordingly, these financial statements should be read in conjunction with the audited financial statements and notes thereto contained in the Company's Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. We evaluate our estimates on an ongoing basis. We base our estimates on our historical experience and also on assumptions that we believe are reasonable; however, actual results could significantly differ from those estimates.

Note 2 — Net Loss Per Share

The following instruments were excluded from the computation of diluted net loss per share for the periods presented because their effect would have been antidilutive (in thousands):

	June 30, 2024	June 30, 2023
Options to purchase common stock	10,836	12,331
Warrants to purchase common stock	—	13
Restricted stock and performance units	1,855	1,406
Shares issuable related to the ESPP	12	15
Shares issuable upon conversion of 2026 Notes	2,003	2,003
Shares issuable upon conversion of 2027 Notes	10,572	10,572
Total shares	25,278	26,340

Note 3 — Research and Development Arrangements

Ji Xing Omecamtiv Mecarbil License and Collaboration Agreement

On December 20, 2021, we entered into the Ji Xing OM License Agreement, pursuant to which we granted to Ji Xing an exclusive license to develop and commercialize omecamtiv mecarbil in China and Taiwan. Under the terms of the Ji Xing OM License Agreement, we received a $50.0 million nonrefundable payment from Ji Xing comprised of a $40.0 million payment as consideration for the rights granted by us to Ji Xing and $10.0 million attributable to our having submitted to FDA an NDA for omecamtiv mecarbil. We may be eligible to receive from Ji Xing additional payments totaling up to $330.0 million for the achievement of certain commercial milestone events in China and Taiwan in connection to omecamtiv mecarbil. In addition, Ji Xing will pay us tiered royalties in the mid-teens to the low twenties range on the net sales of pharmaceutical products containing omecamtiv mecarbil in China and Taiwan, subject to certain reductions for generic competition, patent expiration and payments for licenses to third party patents. The Ji Xing OM License Agreement, unless terminated earlier, will continue on a market-by-market basis until expiration of the relevant royalty term.

In addition to the Ji Xing OM License Agreement, we entered into common stock purchase agreements with each of the RTW Investors, pursuant to which we sold and issued an aggregate of 0.5 million shares of our common stock at a price per share of $39.125 and an aggregate purchase price of $20.0 million. The closing of the transaction occurred on December 31, 2021.

Ji Xing Aficamten License and Collaboration Agreement

On July 14, 2020, we entered into the Ji Xing Aficamten License Agreement, pursuant to which we granted to Ji Xing an exclusive license to develop and commercialize aficamten in China and Taiwan. Under the terms of the Ji Xing Aficamten License Agreement, we received from Ji Xing a nonrefundable upfront payment of $25.0 million. Under the terms of the Ji Xing Aficamten License Agreement, we may be eligible to receive from Ji Xing milestone payments totaling up to $200.0 million for the achievement of certain development and commercial milestone events in connection to aficamten in the field of oHCM, and/or nHCM and other indications. In addition, Ji Xing will pay us tiered royalties in the low-to-high teens range on the net sales of pharmaceutical products containing aficamten in China and Taiwan, subject to certain reductions for generic competition, patent expiration and payments for licenses to third party patents. The Ji Xing Aficamten License Agreement, unless terminated earlier, will continue on a market-by-market basis until expiration of the relevant royalty term.

Accounting for the Ji Xing License and Collaboration Agreements

We assessed the arrangements of the Ji Xing OM License Agreement and the Ji Xing Aficamten License Agreement in accordance with ASC 606 and concluded that there is one performance obligation relating to the license of functional intellectual property for each agreement. The performance obligation was satisfied, and we recognized the residual allocation of arrangement consideration as revenue of $54.9 million in 2021 for the Ji Xing OM License Agreement and $36.5 million in 2020 for the Ji Xing Aficamten License Agreement. Due to the nature of development, including the inherent risk of development and approval by regulatory authorities, we are unable to estimate if and when the development milestone payments could be achieved or become due and, accordingly, we consider the milestone payments to be fully constrained and exclude the milestone payments from the initial transaction price.

The consideration related to sales-based milestone payments, including royalties, will be recognized when the related sales occur under the sales and usage-based royalty exception of ASC 606 as these amounts have been determined to relate predominantly to the license.

We re-evaluate the probability of achievement of development milestones and any related constraints each reporting period. We will include consideration, without constraint, in the transaction price to the extent it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

We recognized a $2.5 million milestone from Ji Xing in 2023 for the initiation of a phase 3 clinical trial for aficamten in nHCM which was collected in the fourth quarter of 2023.

Research and development revenue from Ji Xing was $0.2 million for the three months ended June 30, 2024, and $1.1 million and $0.3 million for the six months ended June 30, 2024 and 2023, respectively, related to certain development cost reimbursements. We had no research and development revenue from Ji Xing for the three months ended June 30, 2023.

We had no accounts receivable from Ji Xing of as of June 30, 2024 and $0.3 million as of December 31, 2023.

Astellas

The Company and Astellas entered into the Astellas FSRA Agreement on April 23, 2020. As a result of the Astellas FSRA Agreement, the Company will now have exclusive control and responsibility for the Company's future development and commercialization of reldesemtiv, CK-601 and other FSRA compounds and products, and accordingly, Astellas has agreed to terminate its license to all FSRA compounds and related products.

Under the Astellas FSRA Agreement, Astellas agreed to pay one-third of the out-of-pocket clinical development costs which may be incurred in connection with the Company’s Phase 3 clinical trial of reldesemtiv in ALS, up to a maximum contribution by Astellas of $12 million. Astellas also agreed to non-cash contributions to the Company, which included the transfer of its existing inventories of active pharmaceutical ingredient of reldesemtiv and CK-601. As of December 31, 2023, we have billed and collected from Astellas up to the maximum contribution of $12.0 million. On March 31, 2023, we announced that we will discontinue COURAGE-ALS, our Phase 3 clinical trial of reldesemtiv in patients with ALS, and COURAGE-ALS OLE.

We had no research and development revenue from Astellas for the three and six months ended June 30, 2024. Research and development revenue from Astellas was $0.9 million and $2.7 million for the three and six months ended June 30, 2023, respectively.

Note 4 — Fair Value Measurements

We value our financial assets and liabilities at fair value, defined as the price that would be received for assets when sold or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). We utilize market data or assumptions that we believe market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable.

We primarily apply the market approach for recurring fair value measurements and endeavor to utilize the best information reasonably available. Accordingly, we use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and consider the security issuers’ and the third-party issuers’ credit risk in our assessment of fair value.

We classify fair value based on the observability of those inputs using a hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement):

Level 1 — Observable inputs, such as quoted prices in active markets for identical assets or liabilities;

Level 2 — Inputs, other than the quoted prices in active markets, that are observable either directly or through corroboration with observable market data; and

Level 3 — Unobservable inputs, for which there is little or no market data for the assets or liabilities, such as internally-developed valuation models.

Fair Value of Financial Assets:

The follow tables set forth the fair value of our financial assets, which consists of cash equivalents and investments classified as available-for-sale securities, that were measured on a recurring basis (in thousands):

		June 30, 2024			
	Fair Value Hierarchy Level	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money market funds	Level 1	$ 72,288	$ —	$ —	$ 72,288
U.S. Treasury securities	Level 1	344,391	52	(153)	344,290
U.S. Government agency securities	Level 2	156,184	80	(170)	156,094
Commercial paper	Level 2	510,543	1	(512)	510,032
Corporate obligations	Level 2	264,411	3	(346)	264,068
		$ 1,347,817	$ 136	$ (1,181)	$ 1,346,772

		December 31, 2023			
	Fair Value Hierarchy Level	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money market funds	Level 1	$ 77,429	$ —	$ —	$ 77,429
U.S. Treasury securities	Level 1	34,625	13	(15)	34,623
U.S. Government agency securities	Level 2	175,301	87	(133)	175,255
Commercial paper	Level 2	252,956	156	(59)	253,053
Corporate obligations	Level 2	92,384	103	(142)	92,345
		$ 632,695	$ 359	$ (349)	$ 632,705

No credit losses on debt securities were recognized during the six months ended June 30, 2024 or 2023. In its evaluation to determine expected credit losses, management considered all available historical and current information, expectations of future economic conditions, the type of security, the credit rating of the security, and the size of the loss position, as well as other relevant information. The unrealized losses as of June 30, 2024 are attributed to market interest rate changes and are not attributed to credit. The Company does not intend to sell, and is unlikely to be required to sell, any of these available-for-sale investments before their effective maturity or market price recovery.

In May 2024, we entered into 2024 RPI Transactions and measured all of the liabilities issued at fair value, based on Level 3 inputs, on the date of issuance. In addition, the liabilities related to the 2024 RP OM Loan Agreement, the RP CK-586 RPA, and derivatives under the RP Multi Tranche Loan Agreement Amendment are remeasured on a recurring basis at fair value based on Level 3 inputs. See Note 6 Agreements with Royalty Pharma for further details.

Note 5 — Balance Sheet Components

A reconciliation of cash, cash equivalents, and restricted cash reported in the accompanying condensed consolidated balance sheets to the amount reported within the accompanying condensed consolidated statements of cash flows was as follows (in thousands):

	June 30, 2024	December 31, 2023
Cash and cash equivalents	$ 190,142	$ 113,024
Restricted cash	375	375
Total cash, cash equivalents, and restricted cash as reported within our consolidated statement of cash flows	$ 190,517	$ 113,399

As of June 30, 2024, our restricted cash balance of $0.4 million is used to collateralize letters of credit.

Accrued liabilities were as follows (in thousands):

	June 30, 2024	December 31, 2023
Accrued liabilities:		
Clinical and preclinical costs	$ 10,516	$ 5,880
Compensation related	20,004	29,255
Other accrued expenses	9,293	7,506
Total accrued liabilities	$ 39,813	$ 42,641

Note 6 — Agreements with Royalty Pharma

On January 7, 2022, we announced that we had entered into the 2022 RPI Transactions with affiliates of Royalty Pharma International plc.

Pursuant to the 2022 RPI Transactions, the RP Multi Tranche Loan Agreement and the RP Aficamten RPA described below, are determined to be debt instruments subsequently measured at amortized cost and were entered into with parties that were at the time of our entry into the 2022 RPI Transactions affiliated and in contemplation of one another. We used the relative fair value method and made separate estimates of the fair value of each freestanding financial instrument and then allocated the proceeds in proportion to those fair value amounts. Arrangement consideration for the RP Multi Tranche Loan Agreement and the RP Aficamten RPA totaled $150 million, consisting of the two $50 million up front payments for the signing of the RP Multi Tranche Loan Agreement and the RP Aficamten RPA and milestone of $50 million for initiation of the first pivotal trial in oHCM for aficamten that was deemed probable at the signing of the agreements.

On May 22, 2024, we announced that we had entered into the 2024 RPI Transactions as an amendment to the 2022 RPI Transactions with affiliates of Royalty Pharma International plc. The 2024 RPI Transactions include the 2024 RP OM Loan Agreement, the RP CK-586 RPA, the RP Stock Purchase Agreement, the RP Multi Tranche Loan Agreement Amendment and the RP Aficamten RPA Amendment, as described below, are accounted for as a debt modification of the 2022 RPI Transactions.

The 2024 RPI Transactions consideration of $200.0 million was allocated as follows (in thousands):

	Allocation
Units of Accounting:	
RP Aficamten RPA	$ 33,300
Tranche 6 of RP Multi Tranche Loan Agreement	41,200
Tranche 6 of RP Multi Tranche Loan Agreement - Embedded Derivatives	4,400
Tranche 4 of RP Multi Tranche Loan Agreement - Embedded Derivatives	3,700
RP CK-568 RPA	12,700
RP OM Loan Agreement	104,700
Total consideration	$ 200,000

Liabilities Related to RPI Transactions Measured at Fair Value

As permitted under Accounting Standards Codification 825, Financial Instruments, or ASC 825, we elected the fair value option for recognizing the liabilities related to the 2024 RP OM Loan Agreement and the RP CK-586 RPA. The fair value option was elected because these liabilities included embedded derivatives which would have otherwise required separate recognition and measurement. The Company elected the fair value option as it is believed to more practical for each liability as a single unit of account at fair value. Under the fair value option, debt issuance costs are expensed as incurred and the Company is required to record the fair value option elected arrangements at their fair value on the date of issuance and at each balance sheet thereafter. Changes in the estimated fair value of the arrangements are recognized as non-cash gains or losses in the statements of operations and comprehensive loss.

RP OM Loan

The RP OM Loan Agreement provides for a loan in a principal amount of $100.0 million that was drawn at the closing.

The loan under the RP OM Loan Agreement matures on the 10 year anniversary of the funding date and is repayable in quarterly installments as follows:

- Scenario 1: If the Phase 3 clinical trial of Cytokinetics' proprietary small molecule cardiac myosin activator known as omecamtiv mecarbil is successful (defined as meeting the composite primary endpoint of the first event, whichever occurs first, comprising of cardiovascular death, heart failure event, LVAD implementation/cardiac transplantation, or stroke, with a hazard ratio (HR) of less than 0.85 and cardiovascular death endpoint HR of less than 1.0) by June 30, 2028 and we receive the marketing approval from the FDA for omecamtiv mecarbil on or prior to December 31, 2029 ("OM Approval Date"), commencing on the calendar quarter during which the FDA approval is obtained, we are required to pay RPDF (x) (i) $75.0 million ten business days after the OM Approval Date and (ii) $25.0 million on the first anniversary of the OM Approval Date and (y) on a quarterly basis an amount equal to 2.0% of the annual worldwide net sales of omecamtiv mecarbil, subject to a minimum floor amount ranging from $5.0 million to $8.0 million during the first 18 calendar quarters (the payment of the 2.0% of the annual worldwide net sales starting from the 19th calendar quarter shall be referred to as the "Royalty Payment"). Our obligation to pay the Royalty Payment will continue after maturity of the Loan;
- Scenario 2: If the Phase 3 clinical trial of omecamtiv mecarbil is successful by June 30, 2028 but we have not received the marketing approval from the FDA for omecamtiv mecarbil on or prior to December 31, 2029, we are required to pay RPDF 18 equal quarterly cash payments totaling 237.5% of the principal amount of the loan commencing on March 31, 2030;
- Scenario 3: If the Phase 3 clinical trial of omecamtiv mecarbil is not successful by June 30, 2028, we are required to pay RPDF 22 equal quarterly cash payments totaling 227.5% of the principal amount of the loan commencing on September 30, 2028; and
- Scenario 4: If the Phase 3 clinical trial of omecamtiv mecarbil has not been initiated by June 30, 2026, we are required to pay RPDF 22 equal quarterly cash payments totaling 227.5% of the principal amount of the loan commencing on September 30, 2026;

(the aggregate amount to be paid by us with respect to each scenario is referred to as the "Scheduled Payment Amount").

The interest of the loan is included in the Scheduled Payment Amount for each scenario. In each scenario, we may prepay the loan in full (but not in part) at any time at its option by paying an amount equal to the unpaid portion of Scheduled Payment Amount for the outstanding loan; provided that, in scenario 1, we would be required to continue to pay the Royalty Payment after such prepayment.

In addition, upon the occurrence of a change of control of the Company, the loan is repayable in full at the option of either the Company or the lender in an amount equal to (x) depending on when such change of control occurs, 150.0% to 237.5% of the principal amount of the loan minus (y) the then paid Scheduled Payment Amount. The RP OM Loan Agreement contains customary representations and warranties and customary affirmative and negative covenants applicable to the Company and its subsidiaries, including, among other things, restrictions on dispositions, mergers, indebtedness, encumbrances, distributions, stock repurchases, investments and transactions with affiliates.

The RP OM Loan Agreement also includes customary events of default, including but not limited to the nonpayment of principal or interest, violations of covenants, material adverse changes, attachment, levy, restraint on business, cross-defaults on material indebtedness, bankruptcy, delisting, material judgments, misrepresentations, governmental approvals, payment defaults under other royalty purchase agreements and development funding agreements with RPDF or RPI ICAV. Upon an event of default or simultaneously with payment in full of the term loans in the RP OM Loan Agreement, the lenders may, among other things, accelerate the loan (with the amount payable between 227.5% and 237.5% of the principal amount (less amounts previously paid) in the case of other events of default).

Upon execution of the RP OM Loan Agreement in the second quarter of 2024, we recorded liabilities of $104.7 million using the probability-weighted expected return method and the fair value inputs are classified as Level 3 in the fair value hierarchy.

The following table demonstrates the future minimum payments for our RP OM Loan under Scenario 3, based on 227.5% of the principal amount with repayment expected to start in 2028 as defined above, as of June 30, 2024 (in thousands):

Years ending December 31:	
2024 remainder	$ —
2025	—
2026	—
2027	—
2028	20,682
Thereafter	206,818
Future minimum payments	227,500

As defined above, the minimum repayment schedule under Scenario 1 would be a total of 124.0% of the principal amount and the royalty payment with quarterly payments starting in 2028. In addition, under Scenario 1 we would be obligated to make the royalty payment each quarter, and such amounts are not determinable at this time. The repayment schedule under Scenario 2 would be 237.5% of the principal amount with quarterly payments starting in 2030, and Scenario 4 would be 227.5% of the principal amount with quarterly payments starting in 2026.

CK-586 RPA

Pursuant to the RP CK-586 RPA, RPI ICAV purchased rights to certain revenue streams from worldwide net sales of CK-586 by us, our affiliates or licensees, in exchange for up to $200 million in consideration, $50 million of which was paid upfront and, following the initiation of the first Phase 3 clinical trial (or the Phase 3 portion of the first Phase 2b/3 clinical trial) in heart failure with preserved ejection fraction in humans for CK-586, at RPI ICAV's sole discretion, up to in aggregate $150 million in quarterly payments to fund 50.0% of the research and development cost of CK-586.

Pursuant to the RP CK-586 RPA, RPI ICAV purchased the right to receive a percentage of net sales ranging from 1.0% to up to 4.5% for annual worldwide net sales of CK-586 (depending on the aggregate amounts funded by RPI ICAV), subject to reduction in certain circumstances, and will receive a 0.75x milestone payment upon market approval of CK-586 by the FDA, or if market approval of CK-586 by the European Medicines Agency is obtained prior to market approval by the FDA, 0.375x milestone payment for such obtained approval and 0.375x milestone payment upon subsequent market approval by the FDA.

The RP CK-586 RPA contains customary representations, warranties and indemnities of the Company and RPI ICAV and customary covenants relating to the royalty payments.

As the RP CK-586 RPA includes embedded derivative features that would require bifurcation, it meets the definition of a hybrid instrument.

Upon execution of the RP CK-586 RPA in the second quarter of 2024, we recorded a liability of $12.7 million using a combination of the discounted cash flow method and the probability-weighted expected return method. The fair value inputs are classified as Level 3 in the fair value hierarchy. We account for the RP CK-586 RPA as a liability because, among other reasons, we have significant continuing involvement in generating the related revenue stream from which the liability will be repaid.

Accounting for RPI Transactions Measured at Fair Value

The fair values of the liabilities for the RP OM Loan Agreement and CK-586 RPA are based on significant unobservable inputs, including the probability of clinical success and regulatory approval based on historical industry success rates for product development specific to cardiovascular products, the estimated date of a product launch, estimates of pricing, sales ramp, variables for the timing of the related events, probability of change of control, and discount rates (which range from 13% to 18%), which are deemed to be Level 3 inputs in the fair value hierarchy. As products containing omecamtiv mecarbil and CK-586 have not yet been commercialized, the estimates are highly subjective. For example, assumed increases in the probability of the clinical success for the omecamtiv mecarbil or CK-586 programs could increase the value of the liabilities.

For the three months ended June 30, 2024, the Company recorded a gain of $0.2 million associated with the change in fair value of the liabilities related to 2024 RP OM Loan Agreement and the CK-586 RPA. The change in the fair value has been recognized in the statement of operations and comprehensive loss.

The following table summarizes the changes of the fair value of the CK-586 RPA and RP OM Loan for the three months ended June 30, 2024 (in thousands):

	2024	
	CK-586 RPA	RP OM Loan
Beginning balance, May 22	$ 12,700	$ 104,700
Change in fair value	—	(200)
Ending balance, June 30	$ 12,700	$ 104,500

Liabilities Related to Revenue Participation Right Purchase Agreements

RP Aficamten Royalty Purchase Agreement

On January 7, 2022, we entered into the RP Aficamten RPA with RPI ICAV, pursuant to which RPI ICAV purchased rights to certain revenue streams from net sales of pharmaceutical products containing aficamten by us, our affiliates and our licensees in exchange for up to $150.0 million in consideration, $50.0 million of which was paid on the closing date, $50.0 million of which was paid to us in March 2022 following the initiation of the first pivotal trial in oHCM for aficamten, and $50.0 million of which was paid to us in September 2023 following the initiation of the first pivotal clinical trial in nHCM for aficamten. The RP Aficamten RPA also provides that the parties will negotiate terms for additional funding if we achieve proof of concept results in certain other indications for aficamten, with a reduction in the applicable royalty if we and RPI ICAV fail to agree on such terms in certain circumstances.

Pursuant to the RP Aficamten RPA, RPI ICAV purchased the right to receive a percentage of net sales equal to 4.5% for annual worldwide net sales of pharmaceutical products containing aficamten up to $1 billion and 3.5% for annual worldwide net sales of pharmaceutical products containing aficamten in excess of $1 billion, subject to reduction in certain circumstances. On May 22, 2024, we entered into the RP Aficamten RPA Amendment to restructure the royalty so that RPI will now receive 4.5% up to $5.0 billion of worldwide annual net sales of aficamten and 1% above $5.0 billion of worldwide annual net sales. Our liability to RPI ICAV is referred to as the “RP Aficamten Liability”.

We account for the RP Aficamten Liability as a liability primarily because we have significant continuing involvement in generating the related revenue stream from which the liability will be repaid. If and when aficamten is commercialized and royalties become due, we will recognize the portion of royalties paid to RPI ICAV as a decrease to the RP Aficamten Liability and a corresponding reduction in cash.

The carrying amount of the RP Aficamten Liability is based on our estimate of the future royalties to be paid to RPI ICAV over the life of the arrangement as discounted using an imputed rate of interest. In the second quarter of 2024, we recorded an additional $33.3 million to the carrying value related to the 2024 RPI Transactions entered into May 22, 2024. The imputed rate of interest on the carrying value of the RP Aficamten Liability was approximately 24.3% as of June 30, 2024 and 19.0% as of June 30, 2023.

2017 RP Omecamtiv Mecarbil Royalty Purchase Agreement

In February 2017, we entered into the RP OM RPA pursuant to which we sold a portion of our right to receive royalties from Amgen on future net sales of omecamtiv mecarbil to RPFT for a one-time payment of $90 million, which is non-refundable even if omecamtiv mecarbil is never commercialized. Concurrently, we entered into a common stock purchase agreement with RPFT through which RPFT purchased 875,656 shares of the Company’s common stock for $10.0 million. We allocated the consideration and issuance costs on a relative fair value basis to our liability to RPFT related to sale of future royalties under the RP OM RPA (the “RP OM Liability”) and the common stock sold to RPFT, which resulted in the RP OM Liability being initially recognized at $92.3 million. The RP OM RPA provides for the sale of a royalty to RPFT of 4.5% on worldwide net sales of omecamtiv mecarbil, subject to a potential increase of up to an additional 1% under certain circumstances. As a result of our receipt of a CRL on February 28, 2023 in connection to our NDA for omecamtiv mecarbil, pursuant to the terms of the RP OM RPA, the applicable royalty rate will increase to a maximum of 5.5% if omecamtiv mecarbil obtains FDA approval at any time after June 30, 2023.

As a result of the termination of the Amgen Agreement and pursuant to our obligations under the RP OM RPA, we and RPFT amended the RP OM RPA on January 7, 2022 to preserve RPFT’s rights under the RP OM RPA by providing for direct payments by us to RPFT of up to 5.5% of our and our affiliates and licensees worldwide net sales of omecamtiv mecarbil. The RP OM RPA, as amended, had no impact on the original accounting for the $92.3 million associated with the RP OM Liability established in February 2017.

We account for the RP OM Liability as a liability primarily because we have significant continuing involvement in generating the related revenue stream from which the liability will be repaid. If and when omecamtiv mecarbil is commercialized and royalties become due, we will recognize the portion of royalties paid to RPFT as a decrease to the RP OM Liability and a corresponding reduction in cash.

The carrying amount of the RP OM Liability is based on our estimate of the future royalties to be paid to RPFT over the life of the arrangement as discounted using an imputed rate of interest. The excess of future estimated royalty payments over the $92.3 million of allocated proceeds, less issuance costs, is recognized as non-cash interest expense using the effective interest method. The imputed rate of interest on the carrying value of the RP OM Liability was approximately 0.1% as of June 30, 2024 and 2.9% as of June 30, 2023.

Accounting for Revenue Participation Right Purchase Agreements

We periodically assess the amount and timing of expected royalty payments using a combination of internal projections and forecasts from external sources. To the extent such payments are greater or less than our initial estimates or the timing of such payments is materially different than its original estimates, we will prospectively adjust the amortization of the RP OM Liability and the RP Aficamten Liability and the effective interest rate.

There are a number of factors that could materially affect the amount and timing of royalty payments, a number of which are not within our control. The RP OM Liability and the RP Aficamten Liability are recognized using significant unobservable inputs. The estimates of future royalties requires the use of several assumptions such as: the probability of clinical success, the probability of regulatory approval, the estimated date of a product launch, estimates of eligible patient populations, estimates of prescribing behavior and patient compliance behavior, estimates of pricing, payor reimbursement and coverage, and sales ramp. A significant change in unobservable inputs could result in a material increase or decrease to the effective interest rate of the RP OM Liability and the RP Aficamten Liability.

We recorded $50.0 million of additional consideration associated with the 2022 RP Aficamten Royalty Purchase Agreement upon receipt of the cash in the third quarter of 2023. In the second quarter of 2024, we recorded an additional $33.3 million to the carrying value related to the 2024 RPI Transactions entered in May 22, 2024.

We review our assumptions on a regular basis and our estimates may change in the future as we refine and reassess our assumptions. Changes to the RP Aficamten Liability and the RP OM Liability are as follows (in thousands):

	RP Aficamten Liability		RP OM Liability	
	2024	2023	2024	2023
Beginning balance, January 1	$ 180,591	$ 105,117	$ 199,384	$ 195,384
Interest accretion	10,239	5,363	(21)	917
Amortization of issuance costs	—	—	26	33
Ending balance, March 31	$ 190,830	$ 110,480	$ 199,389	$ 196,334
Modification in the 2024 RPI Transactions	33,300	—	—	—
Interest accretion	11,525	4,903	42	1,419
Amortization of issuance costs	—	—	26	27
Ending balance, June 30	$ 235,655	$ 115,383	$ 199,457	$ 197,780

RP Multi Tranche Term Loan

Under the 2022 RP Loan Agreement, we were initially entitled to receive up to $300.0 million in term loans, $50.0 million of which was disbursed to us on closing and the remaining $250.0 million scheduled to have been available to us upon our satisfaction of customary disbursement conditions and certain development conditions by specific deadlines, as follows:

- $50.0 million of tranche 2 term loans during the one year period following the receipt on or prior to March 31, 2023 of marketing approval from FDA of omecamtiv mecarbil;
- $25.0 million of tranche 3 term loans during the one year period following the commercial availability of a diagnostic test measuring levels of omecamtiv mecarbil to support the final FDA label language applicable to such drug, subject to such commercial availability and the conditions to the tranche 2 term loans having occurred on or prior to March 31, 2023;
- $75.0 million of tranche 4 term loans during the one year period following the receipt on or prior to September 30, 2024 of positive results from SEQUOIA-HCM, the Phase 3 trial for aficamten; and
- $100.0 million of tranche 5 term loans during the one year period following the acceptance by the FDA on or prior to March 31, 2025 of an NDA for aficamten, subject to the conditions to the tranche 4 term loans having occurred on or prior to September 30, 2024.

As a result of our receipt of a CRL on February 28, 2023, in connection to our NDA for omecamtiv mecarbil, we have not satisfied the conditions to the availability of the tranche 2 and tranche 3 loans under the RP Multi Tranche Loan Agreement.

In December 2023, we announced positive topline results from SEQUOIA-HCM, the Phase 3 trial for aficamten. This entitled us to draw $75.0 million under tranche 4 during the period April 4, 2024 through April 3, 2025, and requires us to complete a minimum mandatory draw of at least $50.0 million of the $75.0 million available during the same period.

The remaining $100.0 million under tranche 5 remains available for disbursement to us, subject to satisfaction of the conditions described above.

On May 22, 2024, we entered into the RP Multi Tranche Loan Agreement Amendment to provide for two tranches of additional term loans in an aggregate principal amount up to $225.0 million, consisting of a $50.0 million tranche 6 term loan drawn immediately and a $175.0 million tranche 7 term loan drawable at Cytokinetics' discretion within one year of a future U.S. Food and Drug Administration ("FDA") approval of aficamten in obstructive hypertrophic cardiomyopathy if such approval is obtained on or prior to December 31, 2025.

Each term loan under the RP Multi Tranche Loan Agreement matures on the 10 year anniversary of the funding date for such term loan and is repayable in quarterly installments of principal, interest and fees commencing on the last business day of the seventh full calendar quarter following the calendar quarter of the applicable funding date for such term loan, with the aggregate amount payable in respect of each term loan (including interest and other applicable fees) equal to 190% of the principal amount of the term loan for the tranche 1, tranche 4, tranche 5, tranche 6, and tranche 7 term loans (such amount with respect to each term loan, "Final Payment Amount"). We account for amounts drawn under the RP Multi Tranche Loan Agreement using the effective interest method.

The RP Multi Tranche Loan Agreement and amendment contains embedded derivative features. The fair values of the embedded derivatives are based on significant unobservable inputs, including the probability of change of control, the probability of default, discount rates and other factors. We have bifurcated and recognized the embedded derivatives as Derivative Liabilities Measured at Fair Value as discussed below.

We may prepay the term loans in full (but not in part) at any time at our option by paying an amount equal to the unpaid portion of Final Payment Amount for the outstanding term loans under the RP Multi Tranche Loan Agreement. We must borrow at least $50 million principal amount of the tranche 4 within the applicable draw period. In addition, the term loans under the RP Multi Tranche Loan Agreement are repayable in full at the option of either us or the lender in an amount equal to the unpaid portion of Final Payment Amount for the outstanding term loans upon a change of control of Cytokinetics.

Future minimum payments under the existing borrowing under Tranche 1 and Tranche 6 of RP Multi Tranche Loan are (in thousands):

Years ending December 31:	Tranche 1 Term Loan	Tranche 6 Term Loan
2024 remainder	$ 5,760	$ —
2025	11,520	—
2026	11,520	8,640
2027	11,520	11,520
2028	11,520	11,520
Thereafter	37,440	63,320
Future minimum payments	89,280	95,000
Less: Unamortized interest and loan costs	(26,786)	(53,143)
Term Loan, net	$ 62,494	$ 41,857

The weighted-average effective rate of interest on the Tranche 1 and Tranche 6 term loans was approximately 11.6% as of June 30, 2024.

As of June 30, 2024, the estimated fair value of the Tranche 1 and Tranche 6 term loans was $51.2 million and $40.2 million, respectively. The fair value was estimated based on Level 3 inputs.

Derivative Liabilities Measured at Fair Value

We have bifurcated and recognized the embedded derivatives in the RP Multi Tranche Loan Agreement. These embedded derivatives include repayment features based upon a change in control and default.

We recognize the derivative liabilities at fair value in the consolidated balance sheets. Each period, the fair value of the derivative liabilities will be recalculated and resulting gains and losses from the changes in fair value of the derivatives with non-credit components are recognized in income, while the change in fair value associated with credit components is recognized in accumulated other comprehensive loss. Estimating fair values of derivative instruments requires the development of significant and subjective estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external market factors.

The fair values of the derivative liabilities is determined using the probability-weighted expected return method and the "with and without" method. The fair values are based on significant unobservable inputs, including the probability of change of control, the probability of default (less than 10%), discount rates (ranging between 14% to 16%) and other factors.

For the three months ended June 30, 2024, the Company recorded a loss of $0.6 million associated with the change in fair value of the derivative liabilities. The amounts have been recorded as other expense in the condensed consolidated statement of operations and comprehensive loss.

The following table summarizes the changes of the fair value of the derivative liabilities for the RP Multi Tranche Loan Agreement for three months ended June 30, 2024 (in thousands):

	RP Multi Tranche Loan Agreement Derivatives	
	2024	
Beginning balance, May 22	$	12,600
Change in fair value		600
Ending balance, June 30	$	13,200

RP Stock Purchase Agreement

Pursuant to the RP Stock Purchase Agreement, we, at our option, could require RPI ICAV to purchase shares of Common Stock for an aggregate purchase price of $50 million in our next equity financing on or before August 20, 2024, with minimum gross proceeds to us of $250 million. The Stock Purchase Agreement also includes lockup provisions. Concurrently with the closing of our underwritten public offering on May 28, 2024, RPI ICAV purchased 980,392 shares of Common Stock pursuant to the RP Stock Purchase Agreement at a price of $51.00 per share. The proceeds from the concurrent private placement were $50 million.

Note 7 — Debt

Convertible Notes

On November 13, 2019, we issued $138.0 million aggregate principal amount of 2026 Notes. On July 6, 2022, we issued $540.0 million aggregate principal amount of 2027 Notes and used approximately $140.3 million of the net proceeds from the offering of 2027 Notes and issued 8,071,343 shares of common stock to repurchase approximately $116.9 million aggregate principal amount of the 2026 Notes pursuant to privately negotiated exchange agreements entered into with certain holders of the 2026 Notes concurrently with the pricing of the offering of the 2027 Notes. As of June 30, 2024, there remains $21.1 million aggregate principal amount of 2026 Notes outstanding and $540.0 million of aggregate principal amount of 2027 Notes outstanding.

The 2026 Notes are unsecured obligations and bear interest at an annual rate of 4.0% per year, payable semi-annually on May 15 and December 15 of each year, beginning May 15, 2020. The 2026 Notes will mature on November 15, 2026, unless earlier repurchased or redeemed by us or converted at the option of the holders. We may redeem the 2026 Notes prior to the maturity date but we are not required to and no sinking fund is provided for the 2026 Notes. The 2026 Notes may be converted, under certain circumstances, based on an initial conversion rate of 94.7811 shares of common stock per $1,000 principal amount (which represents an initial conversion price of $10.55 per share).

The 2027 Notes are our senior unsecured obligations and shares equal in right of payment with our other indebtedness, including the 2026 Notes. The 2027 Notes bear interest at a rate of 3.5% per year, payable semiannually in arrears on January 1 and July 1 of each year, beginning on January 1, 2023. The 2027 Notes will mature on July 1, 2027, unless earlier converted, redeemed or repurchased. The 2027 Notes are convertible into cash, shares of our common stock or a combination of cash and shares of our common stock, at our election, based on the applicable conversion rate(s). The initial conversion rate for the 2027 Notes is 19.5783 shares of our common stock per $1,000 principal amount of such Notes, which is equivalent to an initial conversion price of approximately $51.08 per share.

The conversion rate for the 2026 Notes and 2027 Notes will be subject to adjustment upon the occurrence of certain specified events as described above. In addition, upon the occurrence of a make-whole fundamental change (as defined in the indenture), we will, in certain circumstances, increase the conversion rate by a number of additional shares for a holder that elects to convert its notes in connection with such make-whole fundamental change.

The 2026 Notes are redeemable, in whole or in part, at our option at any time, and from time to time, and, in the case of any partial redemption, on or before the 60th scheduled trading day before the maturity date, at a cash redemption price equal to the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date but only if the last reported sale price per share of our common stock exceeds 130% of the conversion price on (i) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date we may send the related redemption notice; and (ii) the trading day immediately before the date we may send such notice.

Holders of the 2027 Notes have the option to convert their convertible notes only in the following circumstances: (i) if the last reported sale price per share of our common stock exceeds 130% of the conversion price for at least 20 trading days within a 30-day period starting from the last trading day of the preceding quarter after September 30, 2022; (ii) within 5 consecutive business days following any 10 consecutive trading day period if the trading price per $1,000 principal amount of 2027 Notes during such period falls below 98% of the product of the last reported sale price per share of our common stock and the conversion rate; (iii) upon certain corporate events or distributions on our common stock outlined in the 2027 Indenture; (iv) upon our call for redemption of the 2027 Notes; and (v) from March 1, 2027, until the scheduled trading day immediately preceding the maturity date. Circumstance (i) defined above was not triggered upon the calculation completed for July 1, 2024. Consequently the 2027 Notes are not redeemable at the option of the holders for the second quarter of 2024. This calculation will continue to be re-evaluated on a quarterly basis.

We may not redeem the 2027 Notes at our option at any time before July 7, 2025. The 2027 Notes will be redeemable, in whole or in part (subject to the "Partial Redemption Limitation" (as defined in the 2027 Indenture)), at our option at any time, and from time to time, on or after July 7, 2025.

The following table presents the total amount of interest cost recognized relating to the 2026 Notes (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Contractual interest expense	$ 211	$ 211	$ 423	$ 422
Amortization of debt issuance costs	28	27	56	50
Total interest expense recognized	$ 239	$ 238	$ 479	$ 472

The effective interest rate of the 2026 Notes was 4.6% for the three months ended June 30, 2024 and 2023. As of June 30, 2024, the unamortized debt issuance cost for the 2026 Notes was $0.3 million and will be amortized over approximately 2.4 years. The 2026 Notes are convertible at June 30, 2024 at the option of the holder.

The following table presents the total amount of interest cost recognized relating to the 2027 Notes (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Contractual interest expense	$ 4,725	$ 4,725	$ 9,450	$ 9,449
Amortization of debt issuance costs	782	749	1,555	1,431
Total interest expense recognized	$ 5,507	$ 5,474	$ 11,005	$ 10,880

The effective interest rate of the 2027 Notes was 4.2% as of June 30, 2024 and 2023. As of June 30, 2024, the unamortized debt issuance cost for the 2027 Notes was $10.2 million and will be amortized over approximately 3.0 years. During the six months ended June 30, 2024, the conditions allowing holders of the 2027 Notes to convert were not met. As a result, the 2027 Notes are not convertible during the six months ended June 30, 2024.

Future minimum payments under the 2027 Notes and 2026 Notes are (in thousands):

Years ending December 31:	2027 Notes	2026 Notes	Total
2024 remainder	$ 9,450	$ 423	$ 9,873
2025	18,900	845	19,745
2026	18,900	21,978	40,878
2027	558,900	—	558,900
Future minimum payments	606,150	23,246	629,396
Less: Interest	(66,150)	(2,113)	(68,263)
Convertible notes, principal amount	540,000	21,133	561,133
Less: Debt issuance costs on the convertible notes	(10,243)	(290)	(10,533)
Net carrying amount of the convertible notes	$ 529,757	$ 20,843	$ 550,600

As of June 30, 2024, the estimated fair value of the 2027 Notes and 2026 Notes was $705.4 million and $109.7 million, respectively, and was based upon observable, Level 2 inputs, including pricing information from recent trades of the convertible notes.

Note 8 — Stockholders' Equity

Public Offering of Common Stock and Concurrent Private Placement

On May 28, 2024, the Company closed an underwritten public offering of 9,803,922 shares of Common Stock at a public offering price of $51.00 per share, which included the exercise in full by the underwriters of their option to purchase up to 1,470,588 shares of Common Stock at the public offering price. The gross proceeds to the Company from the offering were approximately $575.0 million and net proceeds were approximately $563.2 million, after deducting the applicable underwriting discounts and commissions. Concurrently with the closing of the underwritten public offering, RPI ICAV purchased 980,392 shares of Common Stock pursuant to the RP Common Stock Purchase Agreement at a price of $51.00 per share in a concurrent private placement. The proceeds from the concurrent private placement were $50.0 million.

Equity Incentive Plan

Our 2004 Plan provides for us to grant incentive stock options, non-statutory stock options, restricted stock, stock appreciation rights, restricted stock units, performance shares and performance units to employees, directors, and consultants. We may grant options for terms of up to ten years at prices not lower than 100% of the fair market value of our common stock on the date of grant. Options granted to new employees generally vest 25% after one year and monthly thereafter over a period of four years. Options granted to existing employees generally vest monthly over a period of four years.

Our annual grant of stock-based compensation takes place during the first quarter of each year. Our stock options and restricted stock units granted for the first quarter of 2024 was as follows:

	Grants	Weighted Average Grant Date Fair Value per Share
Stock options	932,778	$ 64.54
Restricted stock units	1,037,398	$ 63.77

As of June 30, 2024, the total authorized shares under the 2004 Plan available for grant was 5.3 million.

Total stock-based compensation expense was recorded in the condensed consolidated statements of operations and allocated as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Research and development	$ 11,475	$ 8,202	$ 20,103	$ 14,648
General and administrative	13,147	10,466	26,131	19,214
	$ 24,622	$ 18,668	$ 46,234	$ 33,862

Controlled Equity Offering Sales Agreement with Cantor Fitzgerald & Co.

On March 1, 2023, we entered into the Amended ATM Facility, with Cantor, under which we may offer and sell, from time to time at our sole discretion, shares of the Common Stock having an aggregate offering price of up to $300.0 million through Cantor, as sales agent. The Amended ATM Facility amends, restates and supersedes the Controlled Equity Offering Sales Agreement dated as of March 6, 2019 between the Company and Cantor.

Cantor may sell the Common Stock by any method that is deemed to be an "at the market offering" as defined in Rule 415 of the Securities Act of 1933, as amended, including sales made directly on the Nasdaq Global Select Market or any other trading market for our common stock. Cantor will use commercially reasonable efforts to sell the Common Stock from time to time, based upon instructions from us (including any price, time or size limits or other customary parameters or conditions we may impose). We will pay Cantor a commission of up to 3.0% of the aggregate gross sales proceeds of any common stock sold through Cantor under the Amended ATM Facility, and also have provided Cantor with customary indemnification rights.

In 2023, we issued 5,016,170 shares of our common stock for net proceeds of $164.2 million under the Amended ATM Facility. There was no Amended ATM Facility activity during the three months ended June 30, 2024. We issued 1,237,460 shares of our common stock for net proceeds of $93.6 million under the Amended ATM Facility for the six months ended June 30, 2024.

Performance Stock Units

In March, May, and June 2024, the Compensation Committee granted a total of 359,992, 75,036, and 5,537 performance stock units ("PSUs") to certain employees with a grant date fair value of $63.75, $48.51, and $54.18 per unit, respectively. The fair value of the PSUs was determined on the grant date based on the fair value of the Company's common stock at such time. The PSU awards are subject to two performance goals and will be earned as to up to 50% of the number of shares subject to the PSU award upon the certification by the Compensation and Talent Committee of the Company's Board of Directors (the "Compensation Committee") that the Company has achieved the first performance goal and as to up to 50% of the number of shares subject to the PSU award upon the certification by the Compensation Committee that the Company has achieved the second performance goal, in each case vesting as to 50% of the earned shares on applicable Compensation Committee certification date and as to 50% of the earned shares following the one-year anniversary of the applicable Compensation Committee certification date.

During the three and six months ended June 30, 2024, the Company recognized expense of $2.2 million and $2.5 million, respectively, for the PSUs. As of June 30, 2024, there was $10.9 million of unamortized stock-based compensation related to the PSUs. The Company will assess the probability of achieving the performance conditions quarterly and the expense recognized will be adjusted accordingly.

Note 9 — Commitments and Contingencies

Operating Leases

In July 2019, we entered into the Oyster Point Lease of office and laboratory space at a facility located in South San Francisco, California, and we entered into amendments to the Oyster Point Lease in 2020, 2021, 2022, and 2023. The Oyster Point Lease commenced on March 31, 2021 and has an expiration date of October 31, 2033.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and analysis should be read in conjunction with our financial statements and accompanying notes included elsewhere in this report. Operating results are not necessarily indicative of results that may occur in future periods.

This report contains forward-looking statements indicating expectations about future performance and other forward-looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Exchange Act, and the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. We intend that such statements be protected by the safe harbor created thereby. Forward-looking statements involve risks and uncertainties and our actual results and the timing of events may differ materially from the results discussed in the forward-looking statements. Examples of such forward-looking statements include, but are not limited to, statements about or relating to:

- the timing of submissions and potential approvals of marketing authorization applications to FDA, EMA and other foreign regulatory authorities, including our intention to submit an NDA for aficamten for the treatment of oHCM to FDA in the third quarter of 2024 and a marketing authorisation application to EMA in the fourth quarter of 2024;
- the initiation, design, conduct, enrollment, progress, timing and scope of clinical trials and development activities for our drug candidates conducted by ourselves or our partners, including the anticipated timing for completion and announcement of results of our clinical trials, and anticipated rates of enrollment for clinical trials;
- the sufficiency of existing resources to fund our operations for at least the next 12 months;
- our capital requirements and needs for additional financing;
- the results from the clinical trials, the non-clinical studies and chemistry, manufacturing, and controls activities of our drug candidates and other compounds, and the significance and utility of such results; anticipated interactions with regulatory authorities;
- our ability to ensure commercial availability of an antibody-based immunoassay for the dose optimization of omecamtiv mecarbil;
- our and our partners' plans or ability to conduct the continued research and development of our drug candidates and other compounds;
- our expected roles in research, development or commercialization under our strategic alliances with our partners and collaborators;
- the properties and potential benefits of, and the potential market opportunities for, our drug candidates and other compounds, including the potential indications for which they may be developed or commercialized;
- the sufficiency of the clinical trials conducted with our drug candidates to demonstrate that they are safe and efficacious;
- our receipt of milestone payments, royalties, reimbursements and other funds from current or future partners under strategic alliances;
- our ability to continue to identify additional potential drug candidates that may be suitable for clinical development;
- market acceptance and commercial viability of our drugs;
- changes in third party healthcare coverage and reimbursement policies;
- our plans or ability to commercialize drugs, with or without a partner, including our intention to develop sales and marketing capabilities and execute on commercial plans;
- the focus, scope and size of our research and development activities and programs;
- the utility of our focus on the biology of muscle function, and our ability to leverage our experience in muscle contractility to the research and development of drug candidates directed to other areas of muscle biology and muscle functions;
- our ability to protect our intellectual property and to avoid infringing the intellectual property rights of others;
- future payments and other obligations under loan, lease, and revenue interest agreements and the Convertible Notes;
- potential competitors and competitive products;
- retaining key personnel and recruiting additional key personnel; and

- the potential impact of recent accounting pronouncements on our financial position or results of operations.

Such forward-looking statements involve risks and uncertainties, including, but not limited to:

- decisions by Ji Xing with respect to the timing, design and conduct of development and commercialization activities for aficamten or omecamtiv mecarbil in China and Taiwan;
- our ability to meet any of the conditions for disbursement and our receipt of any loan disbursements under the RP Multi Tranche Loan Agreement;
- our ability to enroll patients in our clinical trials by any particular date;
- our ability to complete our clinical trials by any particular date;
- our ability to submit planned marketing authorization applications to FDA, EMA and other foreign regulatory authorities by any particular date and, even if submitted, such marketing authorization applications may not be approved for filing or lead to any regulatory approvals of our drug candidates;
- our ability to enter into strategic partnership agreements for any of our programs on acceptable terms and conditions or in accordance with our planned timelines;
- our ability to obtain additional financing on acceptable terms, if at all;
- our receipt of funds and access to other resources under our current or future strategic alliances, in the development, testing, manufacturing or commercialization of our drug candidates or slower than anticipated patient enrollment, in our or partners' clinical trials, or in the manufacture and supply of clinical trial materials;
- failure by our contract research organizations, contract manufacturing organizations and other vendors to properly fulfill their obligations or otherwise perform as expected;
- results from non-clinical studies that may adversely impact the timing or the further development or regulatory approvals of our drug candidates and other compounds;
- the possibility the FDA or foreign regulatory agencies may delay or limit our or our partners' ability to conduct clinical trials or may delay or withhold approvals for the manufacture and sale of our drug candidates;
- changing standards of care and the introduction of products by competitors or alternative therapies for the treatment of indications we target that may limit the commercial potential of our drug candidates;
- difficulties or delays in achieving market access, reimbursement and favorable drug pricing for our products and the potential impacts of health care reform;
- changes in laws and regulations applicable to drug development, commercialization, pricing or reimbursement;
- the uncertainty of protection for our intellectual property, whether in the form of patents, trade secrets or otherwise;
- potential infringement or misuse by us of the intellectual property rights of third parties;
- activities and decisions of, and market conditions affecting, current and future strategic partners;
- accrual information provided by and performance of our contract research organizations, contract manufacturing organizations, and other vendors;
- potential ownership changes under Internal Revenue Code Section 382; and
- the timeliness and accuracy of information filed with the U.S. Securities and Exchange Commission by third parties.

In addition, such statements are subject to the risks and uncertainties discussed in the "Risk Factors" section and elsewhere in this document. Such statements speak only as of the date on which they are made, and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

Overview

We are a late-stage biopharmaceutical company focused on discovering, developing and commercializing first-in-class muscle activators and next-in-class muscle inhibitors as potential treatments for debilitating diseases in which muscle performance is compromised and/or declining. We have discovered and are developing muscle-directed investigational medicines that may potentially improve the health span of people with devastating cardiovascular and neuromuscular diseases of impaired muscle function. Our research and development activities relating to the biology of muscle function have evolved from our knowledge and expertise regarding the cytoskeleton, a complex biological infrastructure that plays a fundamental role within every human cell. As a leader in muscle biology and the mechanics of muscle performance, we are developing small molecule drug candidates specifically engineered to impact muscle function and contractility.

Our research continues to drive innovation and leadership in muscle biology. All of our drug candidates have arisen from our cytoskeletal research activities. Our focus on the biology of the cytoskeleton distinguishes us from other biopharmaceutical companies, and potentially positions us to discover and develop novel therapeutics that may be useful for the treatment of severe diseases and medical conditions. Each of our drug candidates represents a first or next in class molecule compared to currently marketed drugs, which we believe validates our focus on the cytoskeleton as a productive area for drug discovery and development. We intend to leverage our experience in muscle contractility to expand our current pipeline and expect to identify additional potential drug candidates that may be suitable for clinical development.

Research and Development Programs

Our long-standing interest in the cytoskeleton has led us to focus our research and development activities on the biology of muscle function and, in particular, small molecule modulation of muscle contractility. We believe that our expertise in the modulation of muscle contractility is an important differentiator for us. Our preclinical and clinical experience in muscle contractility may position us to discover and develop additional novel therapies that have the potential to improve the health of patients with severe and debilitating diseases or medical conditions.

Small molecules that affect muscle contractility may have several applications for a variety of serious diseases and medical conditions. For example, heart failure is a disease often characterized by impaired cardiac muscle contractility which may be treated by modulating the contractility of cardiac muscle. Similarly, certain diseases and medical conditions associated with muscle weakness may be amenable to treatment by enhancing the contractility of skeletal muscle. Because the modulation of the contractility of different types of muscle, such as cardiac and skeletal muscle, may be relevant to multiple diseases or medical conditions, we believe we can leverage our expertise in these areas to more efficiently discover and develop potential drug candidates that modulate the applicable muscle type for multiple indications.

We segment our research and development activities related to muscle contractility by our cardiac muscle contractility program and our skeletal muscle contractility program. We also conduct research and development on novel treatments for disorders involving muscle function beyond muscle contractility.

Our research and development expenses for the three months ended June 30, 2024 and 2023 were $79.6 million and $83.2 million, respectively, and $161.2 million and $162.6 million for the six months ended June 30, 2024 and 2023, respectively.

Cardiac Muscle Program

Our cardiac muscle contractility program is focused on the cardiac sarcomere, the basic unit of muscle contraction in the heart. The cardiac sarcomere is a highly ordered cytoskeletal structure composed of cardiac myosin, actin and a set of regulatory proteins. Cardiac myosin is the cytoskeletal motor protein in the cardiac muscle cell. It is directly responsible for converting chemical energy into the mechanical force, resulting in cardiac muscle contraction. Our most advanced cardiac program is based on the hypothesis that inhibitors of hyperdynamic contraction and obstruction of left ventricular blood flow may counteract the pathologic effects of mutations in the sarcomere that lead to hypertrophic cardiomyopathies. A targeted oral therapy addressing this disease etiology may improve symptoms, exercise capacity and potentially slow disease progression.

We also have a late stage program based on the hypothesis that activators of cardiac myosin may address certain adverse properties of existing positive inotropic agents. Our novel cardiac myosin activators work by a mechanism that directly stimulates the activity of the cardiac myosin motor protein, without increasing the intracellular calcium concentration. They accelerate the rate-limiting step of the myosin enzymatic cycle and shift it in favor of the force-producing state. Rather than increasing the velocity of cardiac contraction, this mechanism instead lengthens the systolic ejection time, which results in increased cardiac function in a potentially more oxygen-efficient manner.

Aficamten

Aficamten is a novel, oral, small molecule cardiac myosin inhibitor that our company scientists discovered. Aficamten arose from an extensive chemical optimization program conducted with attention to therapeutic index and pharmacokinetic properties that may translate into next-in-class potential in clinical development. Aficamten was purposely designed to reduce the hypercontractility that is associated with HCM. In preclinical models, aficamten reduces myocardial contractility by binding directly to cardiac myosin at a distinct and selective allosteric binding site, thereby preventing myosin from entering a force producing state. Aficamten reduces the number of active actin-myosin cross bridges during each cardiac cycle and consequently reduces myocardial contractility. This mechanism of action may be therapeutically effective in conditions characterized by excessive hypercontractility, such as HCM. The preclinical pharmacokinetics of aficamten were characterized evaluated and optimized for potential rapid onset, ease of titration and rapid symptom relief in the clinical setting. The initial focus of the development program for aficamten will include an extensive characterization of its pharmacokinetics/pharmacodynamic ("PK/PD") relationship as has been a hallmark of Cytokinetics' development programs in muscle pharmacology. The overall development program will assess the potential of aficamten to improve exercise capacity and relieve symptoms in patients with hyperdynamic ventricular contraction due to HCM.

HCM is a disease in which the heart muscle (myocardium) becomes abnormally thick (hypertrophied). The thickening of cardiac muscle leads to the inside of the left ventricle becoming smaller and stiffer, and thus the ventricle becomes less able to relax and fill with blood. This ultimately limits the heart's pumping function, resulting in symptoms including chest pain, dizziness, shortness of breath, or fainting during physical activity.

HCM is the most common monogenic inherited cardiovascular disorder, with approximately 280,000 patients diagnosed in the U.S., however, there are an estimated 400,000-800,000 additional patients who remain undiagnosed, a rate that is growing at the same rate as the population. Two-thirds of patients with HCM have obstructive HCM (oHCM), in which the thickening of the cardiac muscle leads to left ventricular outflow tract (LVOT) obstruction, while one-third have non-obstructive HCM (nHCM), in which blood flow isn't impacted, but the heart muscle is still thickened. HCM is fairly evenly split across gender and while patients are typically diagnosed in their early 40s, the average age of an oHCM patient is in the early 60s. People with HCM are at high risk of also developing cardiovascular complications including atrial fibrillation, stroke and mitral valve disease. People with HCM are at risk for potentially fatal ventricular arrhythmias and it is one of the leading causes of sudden cardiac death in younger people or athletes. A subset of patients with HCM are at high risk of progressive disease leading to dilated cardiomyopathy and heart failure necessitating cardiac transplantation.

FDA has granted aficamten orphan drug designation for the treatment of symptomatic HCM and Breakthrough Therapy Designation for aficamten for the treatment of oHCM.

SEQUOIA-HCM

SEQUOIA-HCM was a Phase 3 randomized, placebo-controlled, double-blind, multi-center clinical trial designed to evaluate aficamten in patients with symptomatic oHCM on background medical therapy for 24 weeks. We enrolled 282 patients in this trial. The primary objective was to assess the effect of aficamten on change in peak oxygen uptake (pVO2) measured by CPET from baseline to week 24. Secondary objectives included change in KCCQ score from baseline to week 12 and week 24, the proportion of patients with ≥1 class improvement in NYHA Functional Class from baseline to week 12 and week 24, change in post-Valsalva LVOT-G to week 12 and week 24, the proportion of patients with post-Valsalva LVOT-G <30 mmHg, and change in total workload during CPET to week 24.

On May 13, 2024 we announced that the positive primary results of SEQUOIA-HCM were presented at the European Society of Cardiology Heart Failure 2024 Congress and published in the New England Journal of Medicine. The results of SEQUOIA-HCM show that treatment with aficamten significantly improved exercise capacity compared to placebo, increasing peak oxygen uptake (pVO2) measured by cardiopulmonary exercise testing (CPET) by a least square mean difference (95% CI) of 1.74 (1.04 - 2.44) mL/kg/min (p=0.000002). The treatment effect with aficamten was consistent across all prespecified subgroups reflective of patient baseline characteristics and treatment strategies, including patients receiving or not receiving background beta-blocker therapy.

Statistically significant (p<0.0001) and clinically meaningful improvements were also observed in all 10 prespecified secondary endpoints, including Kansas City Cardiomyopathy Questionnaire Clinical Summary Score (KCCQ-CSS) at weeks 12 and 24, the proportion of patients with ≥1 class improvement in New York Heart Association (NYHA) functional class at weeks 12 and 24, change in provoked left ventricular outflow tract gradient (LVOT-G) and proportion <30 mmHg at weeks 12 and 24, as well as exercise workload and guideline-eligibility for septal reduction therapy.

Statistically significant improvements were observed in all 10 prespecified secondary endpoints, with functional and symptomatic improvements occurring within two weeks of initiating treatment with aficamten and sustained throughout the treatment period. Compared to baseline, at Week 24 patients treated with aficamten experienced significant improvements in post-Valsalva left ventricular outflow tract gradient (LVOT-G) with an LSM difference of -50 mmHg ($p<0.0001$) versus placebo. Aficamten also substantially reduced the burden of symptoms compared with placebo, with a significant improvement observed in Kansas City Cardiomyopathy Questionnaire Clinical Summary Score (KCCQ-CSS) (LSM difference = 7 points; $p<0.0001$) and with 34% of patients experiencing ≥1 class improvement in New York Heart Association (NYHA) Functional Class ($p<0.0001$). Treatment with aficamten substantially reduced the proportion of patients eligible for septal reduction therapy (SRT). Among those eligible for SRT at baseline, over the duration of 24 weeks of treatment, patients receiving aficamten spent 78 fewer days eligible for SRT compared with those treated with placebo ($p<0.0001$). Additionally, from baseline to Week 24, treatment with aficamten reduced NT-proBNP, a biomarker of cardiac wall stress, by 80% relative to placebo.

The prespecified exploratory responder analysis in SEQUOIA-HCM showed that treatment with aficamten improved both exercise capacity and symptoms, with 60 (42%) of 142 patients treated with aficamten achieving the composite responder endpoint of (1) ≥1.5 mL/kg/min increase in pVO2 and ≥1 NYHA Functional Class improvement, or (2) ≥3.0 mL/kg/min increase in pVO2 and no worsening of NYHA Functional Class, compared to 19 (14%) of 140 patients treated with placebo, equating to a placebo-corrected difference of 28.7% (95% CI, 18.8, 38.6; $p<0.0001$).

Aficamten was well-tolerated in SEQUOIA-HCM with an adverse event profile comparable to placebo. Treatment emergent serious adverse events occurred in 5.6% and 9.3% of patients on aficamten and placebo, respectively. Core echocardiographic left ventricular ejection fraction (LVEF) was observed to be <50% in 5 patients (3.5%) on aficamten compared to 1 patient (0.7%) on placebo. One of the 5 patients on aficamten with low LVEF had LVEF <40% following infection with COVID-19 but did not interrupt treatment as the site-read LVEF remained greater than 40% and the patient did not have symptoms of heart failure due to systolic dysfunction. Overall, there were no instances of worsening heart failure or treatment interruptions due to low LVEF.

MAPLE-HCM

MAPLE-HCM (Metoprolol vs Aficamten in Patients with LVOT Obstruction on Exercise Endpoints in HCM) is our second Phase 3 clinical trial of aficamten as monotherapy in patients with oHCM. It is a Phase 3, multi-center, randomized, double-blind, active-comparator trial in patients with symptomatic oHCM and elevated LVOT gradient, which is expected to enroll approximately 170 patients. The primary endpoint is change in peak oxygen uptake (pVO2), assessed by CPET from baseline to Week 24. Secondary endpoints include change in NYHA class, KCCQ, N-terminal prohormone brain natriuretic peptide (NT-proBNP), and measures of structural remodeling.

On August 3, 2023, we announced that we had initiated patient enrollment in MAPLE-HCM.

ACACIA-HCM

ACACIA-HCM (Assessment Comparing Aficamten to Placebo on Cardiac Endpoints in Adults with Non-Obstructive HCM) is a Phase 3, multi-center, randomized, double-blind, placebo-controlled clinical trial. The trial is expected to enroll approximately 420 patients with symptomatic nHCM. The primary endpoint is the change in KCCQ Clinical Summary Score from baseline to Week 36. Secondary endpoints include change from baseline to Week 36 in the following: exercise capacity as measured by CPET, proportion of patients with an improvement of at least 1 NYHA Functional Class, NT-proBNP, and left atrial volume index. Additionally, while the primary analysis will take place at 36 weeks, patients will continue treatment with aficamten or placebo for up to 72 weeks in order to evaluate additional secondary and exploratory analyses including the time to first cardiovascular event.

On September 6, 2023, we announced that ACACIA-HCM is open to enrollment of patients.

FOREST-HCM

In May 2021, we announced that the first site had been activated to enroll patients in REDWOOD-HCM OLE, an open-label extension clinical study designed to assess the long-term safety and tolerability of aficamten in patients with symptomatic oHCM. Eligible patients were initially to have completed participation in REDWOOD-HCM. However, since initiation of the open-label extension clinical study, we expanded eligibility to include patients having participated in SEQUOIA-HCM, our first Phase 3 clinical trial of aficamten for the treatment of oHCM, and as a result, the trial was renamed FOREST-HCM.

On March 4, 2023, we announced 48-week data from FOREST-HCM at the American College of Cardiology 72nd Annual Scientific Session. Specifically, we announced that new data through 48 weeks of treatment showed that aficamten was associated with significant reductions in the average resting LVOT-G (mean change from baseline (SD) = -32 (28) mmHg, p<0.0002) and Valsalva LVOT-G (mean change from baseline (SD) = -47 (28) mmHg, p<0.0001). Treatment with aficamten also resulted in significant improvements in NYHA class, with 88% of patients experiencing a ≥1 NYHA Functional Class improvement, and significant improvements in NT-proBNP, with an average decrease of 70% from baseline to Week 48 (p<0.0001). At baseline, 19 patients met eligibility criteria for septal reduction therapy (SRT), defined as NYHA Class III and peak LVOT-G ≥50 mmHg, but treatment with aficamten eliminated SRT eligibility in all 19 patients at 48 weeks. Aficamten was safe and well-tolerated, with no treatment-related serious adverse events (SAEs). There were no instances of LVEF <50% attributed to aficamten. One dose reduction and one temporary dose interruption occurred, neither of which were attributed to treatment with aficamten.

On October 19, 2023, we announced new long-term efficacy and safety data from FOREST-HCM. Specifically, we announced that more than 200 patients had been enrolled in FOREST-HCM as of such date and 143 patients were available for this analysis. Of the 94 patients who had completed the titration period (by Week 12), approximately two-thirds were receiving the 15 mg or 20 mg doses of aficamten. During the titration period, there had been no treatment-related instances of left ventricular ejection fraction (LVEF) <50%. During the maintenance phase, there had been no instances of LVEF <40%, which would have required dose interruption, and only three instances of LVEF <50% that required a dose down-titration. Therefore, of the 579 monitoring echocardiograms completed during the maintenance phase of treatment, 99.5% of them did not result in a dose reduction. Additionally, after prolonged treatment for more than two years in some patients, the mean resting left ventricular outflow tract gradients (LVOT-G) and mean Valsalva LVOT-Gs remained reduced and below the diagnostic threshold for oHCM. As of such date, patients had also experienced sustained reductions in cardiac biomarkers and improved symptoms. As of such date, the KCCQ increased by ≥5 points in 71% of patients, 30% of whom had an improvement of ≥10 points. Approximately half of patients were, as of such date, asymptomatic at one year by NYHA Functional Class assessment, and 80% of patients improved by one or more Functional Class at every visit after starting treatment with aficamten. Of patients eligible for septal reduction therapy (SRT) at baseline, 90% were no longer SRT-eligible at the time of the analysis. In addition, as of the date of the analysis, aficamten had been generally well-tolerated, with 60% of patients experiencing at least one treatment emergent adverse event (TEAE) but no treatment-related serious adverse events (SAEs) as assessed by investigators, and no patient deaths.

On April 5, 2024, we announced additional 48-week data from FOREST-HCM at the 73rd Annual American College of Cardiology Scientific Session. Specifically, we announced that at week 48, 75% of patients enrolled were receiving the 15mg or 20mg dose of aficamten and that of these patients, treatment with aficamten for 48 weeks resulted in substantial and sustained reductions in average resting LVOT-G (mean change from baseline (SD) = -39.6 mmHg (34), p<0.0001) and Valsalva LVOT-G (mean change from baseline (SD) = -53.2 mmHg (38.6), p<0.0001). Statistically significant improvements in New York Heart Association (NYHA) Functional Class from baseline were observed, with 82.2% of patients improving by ≥1 NYHA class with no instances of worsening NYHA class. Additionally, there were significant improvements in NT-proBNP, a biomarker of cardiac wall stress, with an average decrease of 63% from baseline to week 48 (p<0.001). Treatment with aficamten also resulted in statistically significant improvements in measures of cardiac structure and function including decreases in maximum wall thickness (mean change from baseline (SE) = -0.12 cm (0.02), p<0.0001), left atrial volume index (mean changes from baseline (SE) = -3.5 mL/m2 (0.98), p=0.0008) and lateral E/e' (mean change from baseline (SE) = -2.2 (0.92), p=0.02). While 19 of these 46 patients in FOREST-HCM met guideline eligibility criteria for septal reduction therapy (SRT) at baseline, only one patient remained eligible for SRT after six months of treatment with aficamten, representing a 94% reduction in SRT-eligibility.

FOREST-HCM continues to enroll patients.

CEDAR-HCM

CEDAR-HCM is a multi-center, randomized, double-blind, placebo-controlled and open-label extension clinical trial to evaluate the efficacy, pharmacokinetics (PK) and safety of aficamten in a pediatric population with symptomatic obstructive HCM. The primary endpoint is the change in Valsalva left ventricular outflow tract gradient (LVOT-G) from baseline to Week 12. Secondary endpoints include the change from baseline to Week 12 in resting LVOT-G, New York Heart Association (NYHA) Functional Class, pharmacokinetics and cardiac biomarkers including NT-proBNP and hs-cTnI.

On May 8, 2024 we announced that we had opened enrollment in CEDAR-HCM

CEDAR-HCM is expected to enroll two cohorts, beginning with an initial cohort of approximately 40 adolescent patients aged 12 to 17. Adolescent patients enrolled in CEDAR-HCM must have LVEF ≥ 60%, Valsalva LVOT-G ≥ 50 mmHg and NYHA Functional Class ≥ II. Patients will be randomized on a 2:1 basis to receive aficamten or placebo, and those receiving aficamten will begin with 5 mg dosed once daily. At weeks 2, 4 and 6 patients will receive an echocardiogram to determine if they will be up-titrated to escalating doses of 10, 15 or 20 mg. Dose escalation will occur only if a patient has a Valsalva LVOT-G ≥ 30 mmHg and an LVEF ≥ 55%. Safety, efficacy and PK data obtained from at least 20 adolescent patients who have completed 12 weeks of double-blind treatment will support the decision to open enrollment in a second cohort of approximately 8 to 10 younger patients (aged 6 to 11). The protocol will be amended to include eligibility criteria and dose selection for the younger pediatric cohort. After 12 weeks of double-blind treatment, eligible patients will rollover into the open label extension period of CEDAR-HCM.

Phase 1 Study of Aficamten in Healthy Japanese Participants

On June 17, 2024, we announced that the first participants have been dosed in a Phase 1 study evaluating the pharmacokinetics, safety and tolerability of aficamten in healthy Japanese and Caucasian participants. The primary objective of this Phase 1 double-blind, randomized, placebo-controlled study is to evaluate the pharmacokinetics of aficamten following administration of single ascending doses and multiple doses in 70 healthy Japanese and Caucasian participants. The secondary objective is to evaluate the safety and tolerability of aficamten in healthy Japanese and Caucasian participants. The study will enroll four cohorts including three single-ascending cohorts and one multiple dose cohort. Cohorts 1, 2 and 3 will enroll 10 Japanese participants and 10 Caucasian participants each, randomized on an 8:2 basis to receive single-ascending doses of aficamten (5 mg, 10 mg and 20 mg, respectively) or placebo. Enrollment of Cohort 2 and Cohort 3 will commence upon evaluation of the safety of the preceding Cohort. Following the completion of the single ascending dose cohorts, Cohort 4 will enroll 10 healthy Japanese participants randomized on an 8:2 basis to receive single doses of aficamten (5 mg) or placebo, once daily for 14 days.

Ji Xing Collaboration for Greater China

On July 14, 2020, we entered into the Ji Xing Aficamten License Agreement, pursuant to which we granted to Ji Xing an exclusive license to develop and commercialize aficamten in China and Taiwan. Under the terms of the Ji Xing Aficamten License Agreement, we may be eligible to receive from Ji Xing milestone payments totaling up to $200.0 million for the achievement of certain development and commercial milestone events in connection to aficamten in the field of oHCM, and/or nHCM and other indications. In addition, Ji Xing will pay us tiered royalties in the low-to-high teens range on the net sales of pharmaceutical products containing aficamten in China and Taiwan, subject to certain reductions for generic competition, patent expiration and payments for licenses to third party patents. The Ji Xing Aficamten License Agreement, unless terminated earlier, will continue on a market-by-market basis until expiration of the relevant royalty term.

Royalty Pharma Revenue Interest

On January 7, 2022, we entered into a Revenue Participation Right Purchase Agreement, which we refer to as the RP Aficamten RPA, with Royalty Pharma Investments 2019 ICAV, which we refer to as RPI ICAV, pursuant to which RPI ICAV purchased rights to certain revenue streams from net sales of pharmaceutical products containing aficamten by us, our affiliates and our licensees in exchange for up to $150.0 million in consideration, $50.0 million of which was paid on the closing date, $50.0 million of which was paid to us on March 10, 2022 following the initiation of the first pivotal trial in oHCM for aficamten and $50.0 million of which was paid to us in September 2023 following the initiation of the first pivotal clinical trial in nHCM for aficamten. The RP Aficamten RPA also provides that the parties will negotiate terms for additional funding if we achieve proof of concept results in certain other indications for aficamten, with a reduction in the applicable royalty if we and RPI ICAV fail to agree on such terms in certain circumstances.

Pursuant to the RP Aficamten RPA, RPI ICAV initially purchased the right to receive a percentage of net sales equal to 4.5% for annual worldwide net sales of pharmaceutical products containing aficamten up to $1 billion and 3.5% for annual worldwide net sales of pharmaceutical products containing aficamten in excess of $1 billion, subject to reduction in certain circumstances. On May 22, 2024, we entered into an amendment to the RP Aficamten RPA, which we refer to as the RP Aficamten RPA Amendment, to restructure the royalty so that RPI ICAV will now receive 4.5% up to $5.0 billion of worldwide annual net sales of aficamten and 1% above $5.0 billion of worldwide annual net sales.

Omecamtiv mecarbil

We are developing omecamtiv mecarbil as a potential treatment across the continuum of care in heart failure both for use in the hospital setting and for use in the outpatient setting.

Omecamtiv mecarbil is a selective, small molecule cardiac myosin activator, the first of a novel class of myotropes designed to directly target the contractile mechanisms of the heart, binding to and recruiting more cardiac myosin heads to interact with actin during systole. Omecamtiv mecarbil is designed to increase the number of active actin-myosin cross bridges during each cardiac cycle and consequently augment the impaired contractility that is associated with heart failure with reduced ejection fraction, or HFrEF.

Heart failure is a grievous condition that is estimated to affect more than 64 million people worldwide an estimated half of whom have reduced left ventricular function. It is the leading cause of hospitalization and readmission in people age 65 and older. Despite broad use of standard treatments and advances in care, the prognosis for patients with heart failure is generally poor. An estimated one in five people over the age of 40 are at risk of developing heart failure, and approximately 50% of people diagnosed with heart failure will die within five years of initial hospitalization. Approximately 2 million people in the U.S. are estimated to have an ejection fraction <30%, indicating they may have worsening heart failure.

GALACTIC-HF

GALACTIC-HF was a Phase 3 cardiovascular outcomes clinical trial of omecamtiv mecarbil which was conducted by Amgen, in collaboration with Cytokinetics. The primary objective of this double-blind, randomized, placebo-controlled multicenter clinical trial was to determine if treatment with omecamtiv mecarbil when added to standard of care is superior to standard of care plus placebo in reducing the risk of cardiovascular death or heart failure events in patients with high risk chronic heart failure and reduced ejection fraction. GALACTIC-HF was conducted under an SPA with the FDA. GALACTIC-HF completed enrollment in mid-2019, having enrolled 8,256 symptomatic chronic heart failure patients with reduced ejection fraction in over 1,000 sites in 35 countries who were either currently hospitalized for a primary reason of heart failure or had had a hospitalization or admission to an emergency room for heart failure within one year prior to screening. Patients were randomized to either placebo or omecamtiv mecarbil with dose titration up to a maximum dose of 50 mg twice daily based on the plasma concentration of omecamtiv mecarbil after initiation of drug therapy. The primary endpoint was a composite of time to cardiovascular death or first heart failure event, whichever occurs first, with heart failure event defined as hospitalization, emergency room visit, or urgent unscheduled clinic visit for heart failure. Secondary endpoints included time to cardiovascular death; patient reported outcomes as measured by the KCCQ Total Symptom Score; time to first heart failure hospitalization; and time to all-cause death.

GALACTIC-HF: Primary Results

The results of GALACTIC-HF showed that after a median duration of follow-up of 21.8 months, the trial demonstrated a statistically significant effect of treatment with omecamtiv mecarbil to reduce risk of the primary composite endpoint of CV death or heart failure events (heart failure hospitalization and other urgent treatment for heart failure) compared to placebo in patients treated with standard of care. A first primary endpoint event occurred in 1,523 of 4,120 patients (37.0%) in the omecamtiv mecarbil group and in 1,607 of 4,112 patients (39.1%) in the placebo group (hazard ratio, 0.92; 95% confidence interval [CI] 0.86, 0.99; p=0.025). This effect was observed without evidence of an increase in the overall rates of myocardial ischemic events, ventricular arrhythmias or death from cardiovascular or all causes.

The statistically significant reduction in the composite of heart failure events or CV deaths, without significant imbalances in the overall incidence of adverse events across treatment arms, was observed in one of the broadest and most diverse range of patients enrolled in a contemporary heart failure trial. GALACTIC-HF included both inpatients and outpatients, and with a high representation of participants with moderate to severe heart failure symptoms as well as lower ejection fraction, systolic blood pressure and renal function.

No reduction in the secondary endpoint of time to CV death was observed. Death from cardiovascular causes occurred in 808 (19.6%) patients treated with omecamtiv mecarbil and 798 patients (19.4%) assigned to placebo (hazard ratio, 1.01; 95% CI, 0.92 to 1.11; p=0.86). The pre-specified analysis of change from baseline to week 24 in the KCCQ total symptom score by randomization setting (inpatient mean difference [95% CI]: 2.50 [0.54, 4.46], outpatient mean difference: -0.46 [-1.40, 0.48], joint P = 0.028) did not meet the significance threshold of P=0.002 based upon the multiplicity control testing procedure. No other secondary endpoints were met in accordance with the prespecified statistical analysis.

The effect of omecamtiv mecarbil was consistent across most prespecified subgroups and with a potentially greater treatment effect suggested in patients with a lower LVEF (LVEF ≤28%, n=>4,000, hazard ratio, 0.84; 95% CI 0.77, 0.92; interaction p=0.003). Omecamtiv mecarbil also significantly decreased NT-proBNP concentrations by 10% (95% CI 6-14%) at Week 24 compared to placebo.

The overall safety profile of omecamtiv mecarbil in GALACTIC-HF appeared to be consistent with data from previous trials. Adverse events and treatment discontinuation of study drug were balanced between the treatment arms. In general, the overall rates of myocardial ischemia, ventricular arrhythmias and death were similar between treatment and placebo groups. Additionally, there was no significant difference in the change in systolic blood pressure between baseline and at 24 or 48 weeks between the omecamtiv mecarbil and placebo groups. There was a small but significant decrease in heart rate in participants assigned to omecamtiv mecarbil compared to placebo at both timepoints. Median cardiac troponin I concentration increased 4 ng/L (95% CI 3-5; limit of detection, 6 ng/L) from baseline with omecamtiv mecarbil compared to placebo.

GALACTIC-HF: Further Analyses

Since our release of the primary results, we have conducted and announced supplemental and subgroup analyses suggesting that certain subgroups of patients treated with omecamtiv mecarbil in GALACTIC-HF may have benefited more than the general patient population in such trial.

For example, additional results showed that the effect of omecamtiv mecarbil on the primary composite endpoint in GALACTIC-HF was consistent across most prespecified subgroups and with a potentially greater treatment effect suggested in patients with a lower LVEF (LVEF ≤28%, n=4,456, hazard ratio, 0.84; 95% CI 0.77, 0.92; interaction p=0.003). Supplemental analyses of this lower ejection fraction subgroup in GALACTIC-HF showed that this potentially greater treatment effect in patients who received omecamtiv mecarbil was consistently observed in patients with characteristics that may indicate advanced heart failure status, such as being hospitalized within the last 3 months (HR 0.83, 95% CI 0.74 – 0.93, p=0.001), having New York Association Class III or IV heart failure (HR 0.80, 95% CI 0.71 – 0.90, p<0.001), higher N-terminal-pro brain natriuretic peptide levels (HR 0.77, 95% CI 0.69 – 0.87, p<0.001), and lower blood pressures (HR 0.81, 95% CI 0.70 – 0.92, p=0.002). The ARR ranged from 5.2% to 8.1% in these subgroups as compared to the ARR of 2.1% observed in the overall population. Additionally, a supplemental analysis of the continuous relationship between ejection fraction and the hazard ratio for the primary composite endpoint in GALACTIC-HF suggested a potentially stronger treatment effect of omecamtiv mecarbil in patients with increasingly lower ejection fractions.

Another analysis assessed the effect of omecamtiv mecarbil on clinical outcomes in relationship to patient baseline ejection fraction by evaluating the effect of patient treatment with omecamtiv mecarbil based on quartiles of baseline EF defined as EF ≤22%, EF 23-28%, EF 29-32% and EF ≥33% as well as considering baseline EF as a continuous variable. The incidence of the primary outcome of first heart failure event or cardiovascular death increased with decreasing ejection fraction; in the lowest LVEF quartile (EF ≤22%) the incidence (35.6 per 100 patient-years) was almost 80% greater than in the highest EF quartile (EF ≥33%; 20 per 100 patient-years). Treatment with omecamtiv mecarbil demonstrated a 15% (HR 0.85; 95% CI 0.74-0.97; p = 0.016) and 17% (HR 0.83; 95% CI 0.73-0.95; p = 0.005) relative risk reduction in the lower two quartiles, respectively, compared to no difference in the upper two quartiles.

Analysis of ejection fraction as a continuous variable demonstrated a progressively larger treatment effect of omecamtiv mecarbil with decreasing ejection fraction. Accordingly, the absolute treatment effect on the primary composite endpoint also increased between the patients treated with placebo and omecamtiv mecarbil as baseline ejection fraction decreased such that in the lowest ejection fraction quartile, there was an absolute reduction of 7.4 events per 100 patient-years, with a number-needed-to-treat of 11.8 patients necessary to prevent an event over three years.

An analysis of patients with low blood pressure showed that there was a greater treatment effect from omecamtiv mecarbil on the primary composite endpoint of cardiovascular death or first heart failure event than in patients without low blood pressure such that there was an absolute risk reduction of 9.8 events per 100 patient-years (hazard ratio, 0.81; 95% confidence interval [CI] 0.70, 0.94; interaction p=0.051). Patients with low blood pressure treated with omecamtiv mecarbil also experienced improvements in blood pressure over time as did those treated with placebo. Additionally, the incidence of treatment-emergent serious adverse events in patients with low blood pressure who received omecamtiv mecarbil (RR 0.88; 95% CI 0.82, 0.95; p<0.001) and adjudicated first stroke (RR 0.31; 95% CI 0.12, 0.79; p=0.009) was lower compared to placebo.

New Drug Application/Regulatory

On February 28, 2023, we announced that we received a CRL from the FDA's Division of Cardiology and Nephrology regarding our NDA for omecamtiv mecarbil for the treatment of HFrEF. According to the CRL, GALACTIC-HF is not sufficiently persuasive to establish substantial evidence of effectiveness for reducing the risk of heart failure events and cardiovascular death in adults with chronic heart failure with HFrEF, in lieu of evidence from at least two adequate and well-controlled clinical investigations. In addition, FDA stated that results from an additional clinical trial of omecamtiv mecarbil are required to establish substantial evidence of effectiveness for the treatment of HFrEF, with benefits that outweigh the risks. FDA's decision to issue a CRL followed an FDA Cardiovascular and Renal Drugs Advisory Committee's vote of 8 to 3 in December 2022 that the benefits of omecamtiv mecarbil do not outweigh its risks for the treatment of HFrEF.

In 2023, we participated in a Type A meeting with FDA in order to understand FDA's views regarding the CRL and what may be required to support potential approval of omecamtiv mecarbil in the United States, and subsequently submitted a formal dispute resolution request to FDA, with the objective to appeal the FDA's conclusion, as stated in the CRL, that substantial evidence of effectiveness had not been established to support approval of omecamtiv mecarbil. FDA subsequently denied our appeal in November 2023 and reaffirmed its decision in the CRL that GALACTIC-HF is not sufficiently persuasive to establish substantial evidence of effectiveness for reducing the risk of heart failure events and cardiovascular death in adults with chronic heart failure with HFrEF, in lieu of evidence from at least two adequate and well-controlled clinical investigations.

In December 2022, the EMA accepted for review our MAA seeking approval of omecamtiv mecarbil for the treatment of HFrEF in the E.U. and the other states of the EEA.

On May 7, 2024, we informed the Committee for Medicinal Products for Human Use ("CHMP") of the EMA of our decision to voluntarily withdraw our MAA for omecamtiv mecarbil. The withdrawal follows feedback the Company received from CHMP that the committee will not be able to conclude that the benefits of omecamtiv mecarbil outweigh the risks associated with the drug on the basis of the results from GALACTIC-HF alone.

On May 3, 2024, we participated in a Type C meeting with FDA that addressed design features of a confirmatory Phase 3 clinical trial of omecamtiv mecarbil for the treatment of HFrEF with discussion of patient population, endpoints and several additional pragmatic elements related to the envisaged conduct of the trial. On May 22, 2024, we entered into the RP OM Loan Agreement with RPDF, pursuant to which $100 million was disbursed to us to finance this new planned Phase 3 clinical trial of omecamtiv mecarbil.

Ji Xing Collaboration for Greater China

On December 20, 2021, we entered into the Ji Xing OM License Agreement, pursuant to which we granted to Ji Xing an exclusive license to develop and commercialize omecamtiv mecarbil in China and Taiwan. Under the terms of the Ji Xing OM License Agreement, we may be eligible to receive from Ji Xing additional payments totaling up to $330.0 million for the achievement of certain commercial milestone events in China and Taiwan in connection to omecamtiv mecarbil. In addition, Ji Xing will pay us tiered royalties in the mid-teens to the low twenties range on the net sales of pharmaceutical products containing omecamtiv mecarbil in China and Taiwan, subject to certain reductions for generic competition, patent expiration and payments for licenses to third party patents. The Ji Xing OM License Agreement, unless terminated earlier, will continue on a market-by-market basis until expiration of the relevant royalty term.

In November 2022, our partner, Ji Xing announced that the Center for Drug Evaluation of the National Medical Products Administration of the People's Republic of China had accepted the submission of the NDA for omecamtiv mecarbil for the treatment of HFrEF. Subsequently, Ji Xing submitted a request for voluntary withdrawal of the NDA for omecamtiv mecarbil to the Center for Drug Evaluation of the National Medical Products Administration of the People's Republic of China, subject to potential re-submission upon receipt of favorable feedback from EMA or FDA with regard to potential drug approval for omecamtiv mecarbil in the EU or US, respectively.

Royalty Pharma Revenue Interest

In 2017, we entered into a Royalty Purchase Agreement, which we refer to as the RP OM RPA, with Royalty Pharma Development Funding, LLC, or RPFT, and amended the RP OM RPA on January 7, 2022. Pursuant to the RP OM RPA, as amended, RPFT has a revenue interest entitling it to up to 5.5% of our and our affiliates' and licensees' worldwide net sales of omecamtiv mecarbil.

On May 22, 2024, we entered into the RP OM Loan Agreement with RPDF. Pursuant to the RP OM Loan Agreement, RDPF has a revenue interest entitling it to quarterly payments in an amount equal to 2.0% of the annual worldwide net sales of omecamtiv mecarbil, subject to a minimum floor amount ranging from $5.0 million to $8.0 million during the first 18 calendar quarters commencing on the calendar quarter during which FDA approval for omecamtiv mecarbil is obtained, as further described in Note 6 to our consolidated financial statements included in this Quarterly Report on Form 10-Q under the section "RP OM Loan Agreement," on condition that a new Phase 3 clinical trial of omecamtiv mecarbil is successful by June 30, 2028 and we receive the marketing approval from the FDA for omecamtiv mecarbil on or prior to December 31, 2029.

CK-586

CK-586 is a novel, selective, oral, small molecule cardiac myosin inhibitor designed to reduce the hypercontractility associated with heart failure with preserved ejection fraction, or HFpEF. In preclinical models, CK-586 reduced cardiac hypercontractility by decreasing the number of active myosin cross-bridges during cardiac contraction thereby reducing the contractile force, without effect on calcium transients.

We conducted a Phase 1 double-blind randomized, placebo-controlled, multi-part single and multiple ascending dose clinical study with the goal of evaluating the safety, tolerability and PK of CK-586 when administered orally as single or multiple doses to healthy participants. The study design included seven single ascending dose cohorts (10 mg to 600 mg) comprised of 10 participants each, and two multiple-dose ascending cohorts (100 and 200 mg once daily) comprised of 10 participants each. The study met the primary objective, demonstrating that CK-586 was safe and well tolerated in healthy participants with linear PK. Pharmacodynamics were evaluated using echocardiography and consistent with expectations. No serious adverse events were observed, and the stopping criteria were not met in the study. The results of the Phase 1 study support progression to a Phase 2a clinical trial in patients with HFpEF.

Royalty Pharma Revenue Interest

On May 22, 2024, we entered into a Revenue Participation Right Purchase agreement, which we refer to as the RP CK-586 RPA, with RPI ICAV, pursuant to which RPI ICAV purchased rights to certain revenue streams from worldwide net sales of CK-586 by us, our affiliates or licensees, in exchange for up to $200 million in consideration, $50 million of which was paid upfront and, following the initiation of the first Phase 3 clinical trial (or the Phase 3 portion of the first Phase 2b/3 clinical trial) in heart failure with preserved ejection fraction in humans for CK-586, at RPI ICAV's sole discretion, up to in aggregate $150 million in quarterly payments to fund 50.0% of the research and development cost of CK-586.

Pursuant to the RP CK-586 RPA, RPI ICAV purchased the right to receive a percentage of net sales ranging from 1.0% to up to 4.5% for annual worldwide net sales of CK-586 (depending on the aggregate amounts funded by RPI ICAV), subject to reduction in certain circumstances, and will receive a 0.75x milestone payment upon market approval of CK-586 by the FDA, or if market approval of CK-586 by the European Medicines Agency is obtained prior to market approval by the FDA, 0.375x milestone payment for such obtained approval and 0.375x milestone payment upon subsequent market approval by the FDA.

CK-136

CK-136 is a novel, selective, oral, small molecule cardiac troponin activator. In preclinical models, CK-136 increases myocardial contractility by binding to cardiac troponin through an allosteric mechanism that sensitizes the cardiac sarcomere to calcium, facilitating more actin-myosin cross bridge formation during each cardiac cycle thereby resulting in increased myocardial contractility. Similar to cardiac myosin activation, preclinical research has shown that cardiac troponin activation does not change the calcium transient of cardiac myocytes.

Dosing of patients in a Phase 1 clinical trial of CK-136 commenced in December 2022. The primary objective of this Phase 1 randomized, double-blind, placebo-controlled, single and multiple ascending dose trial is to assess the safety, tolerability and pharmacokinetics of CK-136 when administered orally as single or multiple doses to healthy participants. The study design, as amended, includes five groups of at least eight participants in single ascending dose cohorts and four groups of at least eight participants in multiple-dose ascending cohorts. A final optional cohort will include eight participants in an open-label, 2-period crossover arm to investigate the effect of food on CK-136. We have completed the single ascending dose cohorts in the Phase 1 study of CK-136 in healthy participants and have decided to discontinue further development of CK-136.

Skeletal Muscle Program

Our skeletal muscle contractility program is focused on the activation of the skeletal sarcomere, the basic unit of skeletal muscle contraction. The skeletal sarcomere is a highly ordered cytoskeletal structure composed of skeletal muscle myosin, actin, and a set of regulatory proteins, which include the troponins and tropomyosin. This program leverages our expertise developed in our ongoing discovery and development of cardiac sarcomere activators.

We believe that our skeletal sarcomere activators may lead to new therapeutic options for diseases and medical conditions associated with neuromuscular dysfunction and potentially also conditions associated with aging and muscle weakness and wasting. The clinical effects of muscle weakness and wasting, fatigue and loss of mobility can range from decreased quality of life to, in some instances, life-threatening complications. By directly improving skeletal muscle function, a small molecule activator of the skeletal sarcomere potentially could enhance functional performance and quality of life in patients suffering from diseases or medical conditions associated with skeletal muscle weakness or wasting, such as ALS, SMA, chronic obstructive pulmonary disease (COPD) or sarcopenia (general frailty associated with aging).

We currently have no clinical stage drug candidates arising from our skeletal muscle contractility program.

Ongoing Research in Skeletal Muscle Activators

We are conducting translational research in preclinical models of disease and muscle function with FSTAs to explore the potential clinical applications of this novel mechanism in diseases or conditions associated with skeletal muscle dysfunction.

Beyond Muscle Contractility

We developed preclinical expertise in the mechanics of skeletal, cardiac and smooth muscle that extends from proteins to tissues to intact animal models. Our translational research in muscle contractility has enabled us to better understand the potential impact of small molecule compounds that increase cardiac or skeletal muscle contractility and to apply those findings to the further evaluation of our drug candidates in clinical populations. In addition to contractility, other major functions of muscle play a role in certain diseases that could benefit from novel mechanism treatments. Accordingly, our knowledge of muscle contractility may serve as an entry point to the discovery of novel treatments for disorders involving muscle functions other than muscle contractility. We are leveraging our current understandings of muscle biology to investigate new ways of modulating these other aspects of muscle function for other potential therapeutic applications.

Critical Accounting Policies and Significant Estimates

The accounting policies that we consider to be our most critical (i.e., those that are most important to the portrayal of our financial condition and results of operations and that require our most difficult, subjective or complex judgments), the effects of those accounting policies applied and the judgments made in their application are summarized in "*Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Significant Estimates"* in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. There have been no material changes to our critical accounting policies and significant estimates in the six months ended June 30, 2024, except for the followings:

Fair Value of 2024 RPI transactions

In May 2024, the Company entered into 2024 RPI transactions including the 2024 RP OM Loan Agreement, the RP CK-586 RPA, the RP Stock Purchase Agreement, the 2022 RP Multi Tranche Loan Agreement Amendment and the RP Aficamten RPA Amendment. As permitted under Accounting Standards Codification 825, Financial Instruments, or ASC 825, the Company elected the fair value option for recognition of the liabilities related to 2024 RP OM Loan Agreement and the RP CK-586 RPA. In accordance with ASC 825, the Company records the liabilities at fair value and remeasures the liabilities at fair value each reporting period with changes in fair value associated with non-credit components are recognized in Other income (expense), net, while the change in fair value associated with credit components is recognized in accumulated other comprehensive loss. The fair value of the liabilities is based on significant unobservable inputs, including the probability of clinical success, the probability of regulatory approval, the estimated date of a product launch, estimates of pricing, sales ramp, variables for the timing of the related events, probability of change of control, discount rates and other estimates, which are deemed to be Level 3 inputs in the fair value hierarchy. As products containing omecamtiv mecarbil and CK-586 have not yet been commercialized, the estimates are highly subjective. See Note 6 — Agreements with Royalty Pharma for further detail.

Derivative Liabilities

We recognize liabilities of our embedded derivative instruments related to the RP Multi Tranche Loan at fair value in the consolidated balance sheets. Each period, the fair value of the derivative liabilities are recalculated and resulting gains and losses from the changes in fair value of the derivatives with non-credit components are recognized in income, while the change in fair value associated with credit components is recognized in accumulated other comprehensive loss. Estimating fair values of derivative instruments requires the development of significant and subjective estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external market factors. Since derivative instruments are initially and subsequently carried at fair value, the Company's income will reflect the volatility in these estimate and assumption changes.

Our discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses and related disclosure of contingent assets and liabilities. We review our estimates on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

Results of Operations

Revenues

Our revenues since inception were primarily from our strategic alliances. We have not generated any revenue from commercial product sales to date.

Revenues for the three and six months ended June 30, 2024 and 2023, were as follows (in thousands):

	Three Months Ended			Six Months Ended		
	June 30, 2024	June 30, 2023	Decrease	June 30, 2024	June 30, 2023	Decrease
Research and development revenues	$ 249	$ 867	$ (618)	$ 1,084	$ 2,980	$ (1,896)
Milestone revenues	—	—	—	—	2,500	(2,500)
Total revenues	$ 249	$ 867	$ (618)	$ 1,084	$ 5,480	$ (4,396)

Research and development revenues for the three and six months ended June 30, 2024 were from Ji Xing under the Ji Xing Aficamten License Agreement, and for the three and six months ended June 30, 2023, research and development revenues were primarily from Astellas for reimbursements under the Astellas FSRA Agreement. Under the Astellas FSRA Agreement, Astellas agreed to pay one-third of the out-of-pocket clinical development costs which was incurred in connection with the Company's Phase 3 clinical trial of reldesemtiv in ALS, up to a maximum contribution by Astellas of $12 million. On March 31, 2023, we announced that we would be discontinuing COURAGE-ALS, our Phase 3 clinical trial of reldesemtiv in patients with ALS, and COURAGE-ALS OLE. As of December 31, 2023 we billed and collected the maximum contribution of $12.0 million from Astellas, and no further revenue is expected under this arrangement.

Milestone revenues for the six months ended June 30, 2023, consisted of a milestone recognized from Ji Xing for the initiation of our Phase 3 clinical trial of aficamten in nHCM.

Research and Development Expenses

We incur research and development expenses associated with both partnered and our own research activities.

Research and development expenses related to any development we elect to fund consist primarily of employee compensation, supplies and materials, costs for consultants and contract research and manufacturing, facilities costs and depreciation of equipment.

Research and development expenses for the three and six months ended June 30, 2024 and 2023, were as follows (in thousands):

	Three Months Ended			Six Months Ended		
	June 30, 2024	June 30, 2023	Decrease	June 30, 2024	June 30, 2023	Decrease
Total research and development expenses	$ 79,597	$ 83,194	$ (3,597)	$ 161,167	$ 162,615	$ (1,448)

Research and development expenses for the three and six months ended June 30, 2024 decreased by $3.6 million and $1.4 million from the three and six months ended June 30, 2023, respectively, due to timing of clinical trial activities and wind down activities for COURAGE-ALS which ended in the first quarter of 2023.

We continue to develop aficamten to treat both oHCM and nHCM in two phase 3 clinical trials, as follows: (i) MAPLE-HCM is our Phase 3 clinical trial of aficamten as a monotherapy for patients with oHCM and (ii) ACACIA-HCM is a Phase 3 clinical trial for patients with symptomatic nHCM. Additionally, we have FOREST-HCM which is an open label extension study designed to assess the long term safety and tolerability of aficamten in patients with symptomatic oHCM.

On February 28, 2023, we received a CRL from FDA in connection with our NDA for omecamtiv mecarbil for the treatment of HFrEF. With the CRL, FDA communicated that GALACTIC-HF is not sufficiently persuasive to establish substantial evidence of effectiveness for reducing the risk of heart failure events and cardiovascular death in adults with chronic heart failure with HFrEF, in lieu of evidence from at least two adequate and well-controlled clinical investigations. FDA stated that results from an additional clinical trial of omecamtiv mecarbil are required to establish substantial evidence of effectiveness for the treatment of HFrEF, with benefits that outweigh the risks. In 2023, we participated in a Type A meeting with FDA in order to understand FDA's views regarding the CRL and what may be required to support potential approval of omecamtiv mecarbil in the United States, and subsequently submitted a formal dispute resolution request to FDA, with the objective to appeal the FDA's conclusion, as stated in the CRL, that substantial evidence of effectiveness had not been established to support approval of omecamtiv mecarbil. FDA subsequently denied our appeal in November 2023 and reaffirmed its decision in the CRL that GALACTIC-HF is not sufficiently persuasive to establish substantial evidence of effectiveness for reducing the risk of heart failure events and cardiovascular death in adults with chronic heart failure with HFrEF, in lieu of evidence from at least two adequate and well-controlled clinical investigations. On May 7, 2024, we informed the Committee for Medicinal Products for Human Use ("CHMP") of the EMA of our decision to voluntarily withdraw our MAA for omecamtiv mecarbil. The withdrawal follows feedback the Company received from CHMP that the committee will not be able to conclude that the benefits of omecamtiv mecarbil outweigh the risks associated with the drug on the basis of the results from GALACTIC-HF alone. On May 22, 2024, we entered into the RP OM Loan Agreement with RPDF, pursuant to which $100 million was disbursed to us to finance a new Phase 3 clinical trial of omecamtiv mecarbil for the treatment of HFrEF.

Under our strategic alliances with Ji Xing, Ji Xing is responsible for the development of aficamten and omecamtiv mecarbil in China and Taiwan.

Clinical development timelines, the likelihood of success and total completion costs vary significantly for each drug candidate and are difficult to estimate. We anticipate that we will determine on an ongoing basis which research and development programs to pursue and how much funding to direct to each program, taking into account the potential scientific and clinical success of each drug candidate. The lengthy process of seeking regulatory approvals and subsequent compliance with applicable regulations requires the expenditure of substantial resources. Any failure by us to obtain and maintain, or any delay in obtaining, regulatory approvals could cause our research and development expenditures to increase and, in turn, could have a material adverse effect on our results of operations.

General and Administrative Expenses

General and administrative expenses consist primarily of compensation for employees in executive and administrative functions, including, but not limited to, finance, human resources, legal, business and commercial development and strategic planning. Other significant costs include facilities costs, consulting costs and professional fees for accounting and legal services, including legal services associated with obtaining and maintaining patents and regulatory compliance.

General and administrative expenses by program for the three and six months ended June 30, 2024 and 2023, were as follows (in thousands):

	Three Months Ended			Six Months Ended		
	June 30, 2024	June 30, 2023	Increase	June 30, 2024	June 30, 2023	Increase
Total general and administrative expenses	$ 50,824	$ 39,722	$ 11,102	$ 96,324	$ 89,387	$ 6,937

General and administrative expenses for the three and six months ended June 30, 2024 increased by $11.1 million and $6.9 million from the three and six months ended June 30, 2023, respectively, primarily due to investments in commercial readiness and employee related expenses, including stock based compensation.

We expect that general and administrative expenses will increase in the future, depending in part on the timing of and investments in commercial readiness.

Interest Expense

Interest expense for the three and six months ended June 30, 2024 and 2023, was as follows (in thousands):

	Three Months Ended			Six Months Ended		
	June 30, 2024	June 30, 2023	Increase	June 30, 2024	June 30, 2023	Increase
Term loans	$ 2,189	$ 1,271	$ 918	$ 3,507	$ 2,519	$ 988
2026 Notes	239	238	1	479	472	7
2027 Notes	5,507	5,474	33	11,005	10,880	125
Other	4,797	62	4,735	4,844	135	4,709
Total interest expense	$ 12,732	$ 7,045	$ 5,687	$ 19,835	$ 14,006	$ 5,829

The components of interest expense are consistent period over period with no significant fluctuations for the three and six months ended June 30, 2024 and 2023. Term loan interest expense increased due to drawing on Tranche 6 of the RP Multi Tranche Loan Agreement Amendment in the second quarter of 2024. Interest expense for the three and six months ended June 30, 2024 also includes approximately $4.8 million of financing fees related to the 2024 RPI Transactions.

Non-cash interest expense on liabilities related to revenue participation right purchase agreements

Non-cash interest expense results from the accretion of our liabilities to RPFT and RP ICAV related to the sale of future royalties under the RP OM RPA and the RP Aficamten RPA, respectively.

The carrying amount of the RP Aficamten Liability is based on our estimate of the future royalties to be paid to RPI ICAV over the life of the arrangement as discounted using an imputed rate of interest. In the second quarter of 2024, we recorded additional $33.3 million to the carrying value related to the RP Aficamten RPA Amendment entered into May 22, 2024. The imputed rate of interest on the carrying value of the RP Aficamten Liability was approximately 24.9% as of June 30, 2024 and 19.0% as of June 30, 2023.

The carrying amount of the RP OM Liability is based on our estimate of the future royalties to be paid to RPFT over the life of the arrangement as discounted using an imputed rate of interest. The excess of future estimated royalty payments over the $92.3 million of allocated proceeds, less issuance costs, is recognized as non-cash interest expense using the effective interest method. The imputed rate of interest on the carrying value of the RP OM Liability was approximately 0.1% as of June 30, 2024 and 2.91% as of June 30, 2023.

We review our assumptions on a regular basis and our estimates may change in the future as we refine and reassess our assumptions.

Non-cash interest expense on liability related to the RP OM RPA and the RP Aficamten RPA for the three and six months ended June 30, 2024 and 2023, were as follows (in thousands):

	Three Months Ended			Six Months Ended		
	June 30, 2024	June 30, 2023	Increase	June 30, 2024	June 30, 2023	Increase
RP OM Liability	$ 42	$ 1,419	$ (1,377)	$ 21	$ 2,336	$ (2,315)
RP Aficamten Liability	11,525	4,903	6,622	21,764	10,266	11,498
Total non-cash interest expense recognized	$ 11,567	$ 6,322	$ 5,245	$ 21,785	$ 12,602	$ 9,183

Interest and Other Income, net

Interest and other income, net for the three and six months ended June 30, 2024 and 2023 consisted primarily of interest income generated from our cash, cash equivalents and investments.

Liquidity and Capital Resources

Our cash, cash equivalents and investments and a summary of our borrowings and working capital is summarized as follows:

	June 30, 2024	December 31, 2023
Financial assets:		
Cash and cash equivalents	$ 190,142	$ 113,024
Short-term investments	866,633	501,800
Long-term investments	305,361	40,534
Total cash, cash equivalents, and marketable securities	$ 1,362,136	$ 655,358
Borrowings:		
Term loans, net	$ 104,351	$ 68,464
RP OM Loan	104,500	—
2026 Notes, net	20,843	20,788
2027 Notes, net	529,757	528,201
Total borrowings	$ 759,451	$ 617,453
Working capital:		
Current assets	$ 1,067,810	$ 628,051
Current liabilities	102,777	102,678
Working capital	$ 965,033	$ 525,373

The following table shows a summary of our cash flows for the periods set forth below:

	Six Months Ended	
	June 30, 2024	June 30, 2023
Net cash used in operating activities	$ (228,820)	$ (244,091)
Net cash (used in) provided by investing activities	(618,907)	247,625
Net cash provided by (used in) financing activities	924,802	(1,702)
Net increase in cash, cash equivalents, and restricted cash	$ 77,075	$ 1,832

Sources and Uses of Cash

We have funded our operations and capital expenditures with proceeds primarily from private and public sales of our equity securities, a royalty monetization agreement, strategic alliances, long-term debt, other financings and interest on investments. We have generated significant operating losses since our inception. Our expenditures are primarily related to research and development activities.

Cash Flows Used in Operating Activities

Net cash used in operating activities of $228.8 million and $244.1 million in the six months ended June 30, 2024 and 2023, respectively, was largely due to ongoing research and development activities and general and administrative expenses to support those activities. Net loss for the six months ended June 30, 2024 and 2023 included, among other items: non-cash stock-based compensation, non-cash interest expense on liabilities related to revenue participation right purchase agreements, and non-cash interest expense related to debt.

Cash Flows Used in (Provided by) Investing Activities

Net cash used in investing activities of $618.9 million and in the six months ended June 30, 2024, was primarily due to purchases of investments offset by maturities of investments.

Net cash provided by investing activities of $247.6 million in the six months ended June 30, 2023 was primarily due to maturities of investments offset by purchases of investments.

Cash Flows Provided by (Used in) Financing Activities

Net cash provided by financing activities of $924.8 million in the six months ended June 30, 2024 was due to $250.0 million in proceeds from the 2024 RPI Transactions, $563.2 million of net proceeds from the public offering and issuances of common stock of $93.6 million under the Controlled Equity Offering Sales Agreement with Cantor Fitzgerald & Co, discussed below, and stock-based award activities.

Net cash used in financing activities of $1.7 million in the six months ended June 30, 2023 was primarily due to stock-based activities.

2024 Royalty Pharma Transactions

On May 22, 2024, we announced that we had entered into that certain RP OM Loan Agreement and the RP CK-586 RPA with RPDF and RPI ICAV respectively, the 2022 RP Multi Tranche Loan Agreement Amendment, the RP Aficamten RPA Amendment, as well as the RP Stock Purchase Agreement with RPI ICAV.

The RP OM Loan Agreement provides for a loan in a principal amount of $100.0 million that was drawn at the closing. The loan under the RP OM Loan Agreement matures on the 10 year anniversary of the funding date and is repayable in quarterly installments as follows:

- Scenario 1: If the Phase 3 clinical trial of Cytokinetics' proprietary small molecule cardiac myosin activator known as omecamtiv mecarbil is successful (defined as meeting the composite primary endpoint of the first event, whichever occurs first, comprising of cardiovascular death, heart failure event, LVAD implementation/cardiac transplantation, or stroke, with a hazard ratio (HR) of less than 0.85 and cardiovascular death endpoint HR of less than 1.0) by June 30, 2028 and we receive the marketing approval from the FDA for omecamtiv mecarbil on or prior to December 31, 2029 ("OM Approval Date"), commencing on the calendar quarter during which the FDA approval is obtained, we are required to pay RPDF (x) (i) $75.0 million ten business days after the OM Approval Date and (ii) $25.0 million on the first anniversary of the OM Approval Date and (y) on a quarterly basis an amount equal to 2.0% of the annual worldwide net sales of omecamtiv mecarbil, subject to a minimum floor amount ranging from $5.0 million to $8.0 million during the first 18 calendar quarters (the payment of the 2.0% of the annual worldwide net sales starting from the 19th calendar quarter shall be referred to as the "Royalty Payment"). Our obligation to pay the Royalty Payment will continue after maturity of the Loan;
- Scenario 2: If the Phase 3 clinical trial of omecamtiv mecarbil is successful by June 30, 2028 but we have not received the marketing approval from the FDA for omecamtiv mecarbil on or prior to December 31, 2029, we are required to pay RPDF 18 equal quarterly cash payments totaling 237.5% of the principal amount of the loan commencing on March 31, 2030;
- Scenario 3: If the Phase 3 clinical trial of omecamtiv mecarbil is not successful by June 30, 2028, we are required to pay RPDF 22 equal quarterly cash payments totaling 227.5% of the principal amount of the loan commencing on September 30, 2028; and
- Scenario 4: If the Phase 3 clinical trial of omecamtiv mecarbil has not been initiated by June 30, 2026, we are required to pay RPDF 22 equal quarterly cash payments totaling 227.5% of the principal amount of the loan commencing on September 30, 2026;

The interest of the loan is included in the Scheduled Payment Amount for each scenario.

In each scenario, we may prepay the loan in full (but not in part) at any time at its option by paying an amount equal to the unpaid portion of Scheduled Payment Amount for the outstanding loan; provided that, in scenario 1, we would be required to continue to pay the Royalty Payment after such prepayment.

In addition, upon the occurrence of a change of control of the Company, the loan is repayable in full at the option of either the Company or the lender in an amount equal to (x) depending on when such change of control occurs, 150.0% to 237.5% of the principal amount of the loan minus (y) the then paid Scheduled Payment Amount.

The RP OM Loan Agreement contains customary representations and warranties and customary affirmative and negative covenants applicable to the Company and its subsidiaries, including, among other things, restrictions on dispositions, mergers, indebtedness, encumbrances, distributions, stock repurchases, investments and transactions with affiliates. The RP OM Loan Agreement also includes customary events of default, including but not limited to the nonpayment of principal or interest, violations of covenants, material adverse changes, attachment, levy, restraint on business, cross-defaults on material indebtedness, bankruptcy, delisting, material judgments, misrepresentations, governmental approvals, payment defaults under other royalty purchase agreements and development funding agreements with RPDF or RPI ICAV. Upon an event of default or simultaneously with payment in full of the term loans in the RP Multi Tranche Loan Agreement, the lenders may, among other things, accelerate the loan (with the amount payable between 227.5% and 237.5% of the principal amount (less amounts previously paid) in the case of other events of default).

Pursuant to the RP CK-586 RPA, RPI ICAV purchased rights to certain revenue streams from worldwide net sales of CK-586 by us, our affiliates or licensees, in exchange for up to $200 million in consideration, $50 million of which was paid upfront and, following the initiation of the first Phase 3 clinical trial (or the Phase 3 portion of the first Phase 2b/3 clinical trial) in heart failure with preserved ejection fraction in humans for CK-586, at RPI ICAV's sole discretion, up to in aggregate $150 million in quarterly payments to fund 50.0% of the research and development cost of CK-586.

Pursuant to the RP CK-586 RPA, RPI ICAV purchased the right to receive a percentage of net sales ranging from 1.0% to up to 4.5% for annual worldwide net sales of CK-586 (depending on the aggregate amounts funded by RPI ICAV), subject to reduction in certain circumstances, and will receive a 0.75x milestone payment upon market approval of CK-586 by the FDA, or if market approval of CK-586 by the European Medicines Agency is obtained prior to market approval by the FDA, 0.375x milestone payment for such obtained approval and 0.375x milestone payment upon subsequent market approval by the FDA.

Pursuant to the RP Stock Purchase Agreement, we, at our option, could require RPI ICAV to purchase shares of Common Stock for an aggregate purchase price of $50 million in our next equity financing on or before August 20, 2024, with minimum gross proceeds to us of $250 million. The RP Stock Purchase Agreement also includes lockup provisions. Concurrently with the closing of our underwritten public offering on May 28, 2024, RPI ICAV purchased 980,392 shares of Common Stock pursuant to the RP Stock Purchase Agreement at a price of $51.00 per share. The proceeds from the concurrent private placement were $50.0 million.

2022 Royalty Pharma Transactions

On January 7, 2022, we announced that we had entered into that certain RP Multi Tranche Loan Agreement and the RP Aficamten RPA with RPDF and RPI ICAV respectively, each of which were at the time of our entry into such agreements affiliated with Royalty Pharma International plc.

Under the RP Multi Tranche Loan Agreement, we were initially entitled to receive up to $300.0 million in term loans, $50.0 million of which was disbursed to us on closing and the remaining $250.0 million scheduled to have been available to us upon our satisfaction of customary disbursement conditions and certain development conditions by specific deadlines, as follows:

- $50.0 million of tranche 2 term loans during the one year period following the receipt on or prior to March 31, 2023 of marketing approval from FDA of omecamtiv mecarbil;
- $25.0 million of tranche 3 term loans during the one year period following the commercial availability of a diagnostic test measuring levels of omecamtiv mecarbil to support the final FDA label language applicable to such drug, subject to such commercial availability and the conditions to the tranche 2 term loans having occurred on or prior to March 31, 2023;
- $75.0 million of tranche 4 term loans during the one year period following the receipt on or prior to September 30, 2024 of positive results from SEQUOIA-HCM, the Phase 3 trial for aficamten; and
- $100.0 million of tranche 5 term loans during the one year period following the acceptance by the FDA on or prior to March 31, 2025 of an NDA for aficamten, subject to the conditions to the tranche 4 term loans having occurred on or prior to September 30, 2024.

As a result of our receipt of a CRL in connection to our NDA for omecamtiv mecarbil, we have not satisfied the conditions to the availability of the tranche 2 and tranche 3 loans under the RP Multi Tranche Loan Agreement.

In December 2023, we announced positive topline results from SEQUOIA-HCM, the Phase 3 trial for aficamten. This entitled us to receive $75.0 million under tranche 4 during the one year period following the receipt of the positive results and requires us to draw a minimum of at least $50.0 million of the $75.0 million available under tranche 4.

The remaining $100.0 million under tranche 5 remains available for disbursement to us, subject to satisfaction of the conditions described above.

On May 22, 2024, we entered into an amendment to the RP Multi Tranche Loan Agreement, which we refer to as the 2022 RP Multi Tranche Loan Agreement Amendment, to provide for two tranches of additional term loans in an aggregate principal amount up to $225.0 million, consisting of a $50.0 million tranche 6 term loan drawn immediately and a $175.0 million tranche 7 term loan drawable at Cytokinetics' discretion within one year of a future U.S. Food and Drug Administration ("FDA") approval of aficamten in obstructive hypertrophic cardiomyopathy if such approval is obtained on or prior to December 31, 2025.

Each term loan under the RP Multi Tranche Loan Agreement matures on the 10 year anniversary of the funding date for such term loan and is repayable in quarterly installments of principal, interest and fees commencing on the last business day of the seventh full calendar quarter following the calendar quarter of the applicable funding date for such term loan, with the aggregate amount payable in respect of each term loan (including interest and other applicable fees) equal to 190% of the principal amount of the tranche 1, tranche 4, tranche 5, tranche 6, and tranche 7 term loans and 200% of the principal amount of the tranche 2 and tranche 3 loans (such amount with respect to each term loan, "Final Payment Amount"). We have made our first payment in the fourth quarter of 2023.

We may prepay the term loans in full (but not in part) at any time at our option by paying an amount equal to the unpaid portion of Final Payment Amount for the outstanding term loans under the RP Multi Tranche Loan Agreement. As the conditions for the tranche 4 term loan have been met, we must have borrowed at least $50 million principal amount of the tranche 4 or 5 term loans within the applicable draw period. In addition, the term loans under the RP Multi Tranche Loan Agreement are repayable in full at the option of either us or the lender in an amount equal to the unpaid portion of Final Payment Amount for the outstanding term loans upon a change of control of Cytokinetics.

RP Aficamten Royalty Purchase Agreement

In addition, on January 7, 2022, we entered into the RP Aficamten RPA with RPI ICAV, pursuant to which RPI ICAV purchased rights to certain revenue streams from net sales of pharmaceutical products containing aficamten by us, our affiliates and our licensees in exchange for up to $150.0 million in consideration, $50.0 million of which was paid on the closing date, $50.0 million of which was paid to us in March 2022 following the initiation of the first pivotal trial in oHCM for aficamten, and $50.0 million of which was paid to us in September 2023 following the initiation of the first pivotal clinical trial in nHCM for aficamten. The RP Aficamten RPA also provides that the parties will negotiate terms for additional funding if we achieve proof of concept results in certain other indications for aficamten, with a reduction in the applicable royalty if we and RPI ICAV fail to agree on such terms in certain circumstances.

Pursuant to the RP Aficamten RPA, RPI ICAV initially purchased the right to receive a percentage of net sales equal to 4.5% for annual worldwide net sales of pharmaceutical products containing aficamten up to $1 billion and 3.5% for annual worldwide net sales of pharmaceutical products containing aficamten in excess of $1 billion, subject to reduction in certain circumstances. On May 22, 2024, we entered into the RP Aficamten RPA Amendment to restructure the royalty so that RPI will now receive 4.5% up to $5.0 billion of worldwide annual net sales of aficamten and 1% above $5.0 billion of worldwide annual net sales. Our liability to RPI ICAV is referred to as the "RP Aficamten Liability".

We account for the RP Aficamten Liability as a liability primarily because we have significant continuing involvement in generating the related revenue stream from which the liability will be repaid. If and when aficamten is commercialized and royalties become due, we will recognize the portion of royalties paid to RPI ICAV as a decrease to the RP Aficamten Liability and a corresponding reduction in cash.

The carrying amount of the RP Aficamten Liability is based on our estimate of the future royalties to be paid to RPI ICAV over the life of the arrangement as discounted using an imputed rate of interest. The imputed rate of interest on the carrying value of the RP Aficamten Liability was approximately 24.9% and 19.02% as of June 30, 2024 and 2023, respectively.

Convertible Notes

On November 13, 2019, we issued $138.0 million aggregate principal amount of 2026 Notes. On July 6, 2022, we issued $540.0 million aggregate principal amount of 2027 Notes and used approximately $140.3 million of the net proceeds from the offering of 2027 Notes and issued 8,071,343 shares of common stock to repurchase approximately $116.9 million aggregate principal amount of the 2026 Notes pursuant to privately negotiated exchange agreements entered into with certain holders of the 2026 Notes concurrently with the pricing of the offering of the 2027 Notes. As a result of the partial repurchase of the 2026 Notes, we recorded an inducement loss of $22.2 million, consisting of the difference between the consideration to the holders pursuant to the exchange agreements and the if-converted value of the 2026 Notes under the original terms. As of June 30, 2024, there remains $21.1 million aggregate principal amount of 2026 Notes outstanding and $540.0 million of aggregate principal amount of 2027 Notes outstanding. The 2026 Notes are redeemable, in whole or in part, at our option at any time, and from time to time, and, in the case of any partial redemption, on or before the 60th scheduled trading day before the maturity date, at a cash redemption price equal to the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date but only if the last reported sale price per share of our common stock exceeds 130% of the conversion price on (1) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date we may send the related redemption notice; and (2) the trading day immediately before the date we may send such notice.

Ji Xing and RTW Transactions

Ji Xing Omecamtiv Mecarbil License and Collaboration Agreement

On December 20, 2021, we entered into the Ji Xing OM License Agreement, pursuant to which we granted to Ji Xing an exclusive license to develop and commercialize omecamtiv mecarbil in China and Taiwan. Under the terms of the Ji Xing OM License Agreement, we received a $50.0 million nonrefundable payment from Ji Xing comprised of a $40.0 million payment as consideration for the rights granted by us to Ji Xing and $10.0 million attributable to our having submitted to FDA an NDA for omecamtiv mecarbil. We may be eligible to receive from Ji Xing additional payments totaling up to $330.0 million for the achievement of certain commercial milestone events in China and Taiwan in connection to omecamtiv mecarbil. In addition, Ji Xing will pay us tiered royalties in the mid-teens to the low twenties range on the net sales of pharmaceutical products containing omecamtiv mecarbil in China and Taiwan, subject to certain reductions for generic competition, patent expiration and payments for licenses to third party patents. The Ji Xing OM License Agreement, unless terminated earlier, will continue on a market-by-market basis until expiration of the relevant royalty term.

Ji Xing Aficamten License and Collaboration Agreement

On July 14, 2020, we entered into the Ji Xing Aficamten License Agreement, pursuant to which we granted to Ji Xing an exclusive license to develop and commercialize aficamten in China and Taiwan. Under the terms of the Ji Xing Aficamten License Agreement, we received from Ji Xing a nonrefundable upfront payment of $25.0 million. Under the terms of the Ji Xing Aficamten License Agreement, we may be eligible to receive from Ji Xing milestone payments totaling up to $200.0 million for the achievement of certain development and commercial milestone events in connection to aficamten in the field of oHCM, and/or nHCM and other indications. In addition, Ji Xing will pay us tiered royalties in the low-to-high teens range on the net sales of pharmaceutical products containing aficamten in China and Taiwan, subject to certain reductions for generic competition, patent expiration and payments for licenses to third party patents. The Ji Xing Aficamten License Agreement, unless terminated earlier, will continue on a market-by-market basis until expiration of the relevant royalty term.

We recognized a $2.5 million milestone from Ji Xing in 2023 for the initiation of a phase 3 clinical trial for aficamten in nHCM which was collected in the fourth quarter of 2023.

Controlled Equity Offering Sales Agreement with Cantor Fitzgerald & Co.

On March 1, 2023, we entered into the Amended ATM Facility, with Cantor, under which we may offer and sell, from time to time at our sole discretion, shares of the Common Stock having an aggregate offering price of up to $300.0 million through Cantor, as sales agent. The Amended ATM Facility amends, restates and supersedes the Controlled Equity Offering Sales Agreement dated as of March 6, 2019 between the Company and Cantor.

Cantor may sell the Common Stock by any method that is deemed to be an “at the market offering” as defined in Rule 415 of the Securities Act of 1933, as amended, including sales made directly on the Nasdaq Global Select Market or any other trading market for our common stock. Cantor will use commercially reasonable efforts to sell the Common Stock from time to time, based upon instructions from us (including any price, time or size limits or other customary parameters or conditions we may impose). We will pay Cantor a commission of up to 3.0% of the aggregate gross sales proceeds of any common stock sold through Cantor under the Amended ATM Facility, and also have provided Cantor with customary indemnification rights.

There was no Amended ATM Facility activity during the three months ended June 30, 2024 and we issued 1,237,460 shares of our common stock for net proceeds of $93.6 million under the Amended ATM Facility for the six months ended June 30, 2024.

Public Offering of Common Stock and Concurrent Private Offering

On May 28, 2024, we closed an underwritten public offering of 9,803,922 shares of Common Stock at a public offering price of $51.00 per share, which included the exercise in full by the underwriters of their option to purchase up to 1,470,588 shares of Common Stock at the public offering price. The gross proceeds to the Company from the offering were approximately $575 million and net proceeds were approximately $563.2 million, after deducting the applicable underwriting discounts and commissions. Concurrently with the closing of the underwritten public offering, RPI ICAV purchased 980,392 shares of Common Stock pursuant to the RP Stock Purchase Agreement, at a price of $51.00 per share in a concurrent private placement. The gross proceeds from the concurrent private placement were $50 million.

In future periods, we expect to incur substantial costs as we continue to expand our research programs and related research and development activities. We expect to incur significant research and development expenses as we advance the research and development of compounds from our other muscle biology programs through research to candidate selection to clinical development, and we expect to file investigational new drug applications. We may also incur significant sales and marketing expenses in anticipation of regulatory approval of one of our drug candidates.

Our future capital uses and requirements depend on numerous factors. These factors include, but are not limited to, the following:

- the initiation, progress, timing, scope and completion of preclinical research, non-clinical development, CMC, and clinical trials for our drug candidates and other compounds;
- the time, costs and outcomes of regulatory reviews or other regulatory actions related to our drug candidates, including with respect to our planned NDA submission for aficamten for the treatment of oHCM to FDA and our related planned MAA submission to EMA;
- the jurisdictions in which we are granted regulatory approvals and thus are able to successfully launch our products for commercial sale;
- delays that may be caused by requirements of regulatory agencies;
- our level of funding for the development of current or future drug candidates;
- the number of drug candidates we pursue and the stage of development that they are in;
- the costs involved in filing and prosecuting patent applications and enforcing or defending patent claims;
- our ability to establish and maintain selected strategic alliances required for the development of drug candidates and commercialization of our potential drugs;
- our plans or ability to expand our drug development capabilities, including our capabilities to conduct clinical trials for our drug candidates;
- our plans or ability to engage third-party manufacturers for our drug candidates and potential drugs;
- our plans or ability to build or access sales and marketing capabilities and to achieve market acceptance for potential drugs;
- the expansion and advancement of our research programs;
- the hiring of additional employees and consultants;
- the acquisition of technologies, products and other business opportunities that require financial commitments;
- our revenues, if any, from successful development of our drug candidates and commercialization of potential drugs;
- the cost of additional construction to expand our headquarters in South San Francisco and in relation to our leased office facilities in Radnor, Pennsylvania; and
- the payments due for interest on the term loan and convertible debt;

We have incurred an accumulated deficit of approximately $2.4 billion since inception and there can be no assurance that we will attain profitability. We are subject to risks common to clinical-stage companies including, but not limited to, development of new drug candidates, dependence on key personnel, and the ability to obtain additional capital as needed to fund our future plans. Our liquidity will be impaired if sufficient additional capital is not available on terms acceptable to us, if at all. Until we achieve profitable operations, we intend to continue to fund operations through payments from strategic collaborations, additional sales of equity securities, grants and other financings. We have never generated revenues from commercial sales of our drugs and may not have drugs to market for at least several years, if ever. Therefore, our success is dependent on our ability to obtain additional capital by entering into new strategic collaborations and/or through financings, and ultimately on our and our collaborators' ability to successfully develop and market one or more of our drug candidates. We cannot be certain that sufficient funds will be available from such collaborators or financings when needed or on satisfactory terms. Additionally, there can be no assurance that any of our drug candidates will be accepted in the marketplace or that any future products can be developed or manufactured at an acceptable cost. These factors could have a material adverse effect on our future financial results, financial position and cash flows.

Based on the current status of our development plans, we believe that our existing cash and cash equivalents, investments and interest earned on investments will be sufficient to meet our projected operating requirements for at least the next 12 months. If, at any time, our prospects for internally financing our research and development programs decline, we may decide to reduce research and development expenses by delaying, discontinuing or reducing our funding of development of one or more of our drug candidates or of other research and development programs. Alternatively, we might raise funds through strategic relationships, public or private financings or other arrangements. There can be no assurance that funding, if needed, will be available on attractive terms, or at all, or in accordance with our planned timelines. Furthermore, financing obtained through future strategic relationships may require us to forego certain commercialization and other rights to our drug candidates. Similarly, any additional equity financing may be dilutive to stockholders and debt financing, if available, may involve restrictive covenants. Our failure to raise capital as and when needed could have a negative impact on our financial condition and our ability to pursue our business strategy.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market risk has not changed materially since our disclosures in Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2023, except for the following:

Interest Rate Risk

We are exposed to market risk related to changes in interest rates. As of June 30, 2024, our cash and investments totaled $1,347 million, comprising U.S. Treasury securities, U.S. and non-U.S. government agency bonds, commercial paper, a global portfolio of corporate debt, money market funds, and repurchase agreements backed by U.S. Treasury securities.

Our investments are subject to interest rate risk and could fall in value if market interest rates increase. We have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates. A hypothetical 1% increase in market interest rates would result in a decline in the value of our investments of approximately $8.2 million and $2.4 million as of June 30, 2024 and December 31, 2023, respectively.

In addition, we have elected the fair value option for certain liabilities. The fair value of the liabilities related to 2024 RP OM Loan Agreement and the RP CK-586 RPA will increase as market interest rates decrease. In addition, the fair value of the liabilities may fluctuate based upon changes in the Company's credit rating. Changes in the interest rate environment and the credit rating of the Company could have an effect on our future earnings. For example, a hypothetical 1% decrease in the discount rates used to measure the 2024 RP OM Loan Agreement and the RP CK-586 RPA would result an increase in the fair value, and the recognition of a loss, of approximately $5.5 million as of June 30, 2024.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Exchange Act, and the rules and regulations thereunder, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, or persons performing similar functions, as appropriate, to allow for timely decisions regarding required or necessary disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives, and we are required to apply judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 30, 2024, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

(b) Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

(c) Limitations on the effectiveness of controls

A control system, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the controls are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

In evaluating our business, you should carefully consider the following risks in addition to the other information in this report. Any of the following risks could materially and adversely affect our business, results of operations, financial condition or your investment in our securities, and many are beyond our control. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not presently known to us, or that we currently see as immaterial, may also adversely affect our business.

Risks Specific to our Company in connection with our Research and Development Activities

The regulatory approval and marketing authorization process is expensive, time-consuming and uncertain and may prevent our partners or us from obtaining approvals to commercialize some or all of our drug candidates, including aficamten and omecamtiv mecarbil.

The research, testing, manufacturing, selling and marketing of drugs are subject to extensive regulation by the FDA and other regulatory authorities in the United States and other countries, and regulations differ from country to country. Neither we nor our partners are permitted to market our potential drugs in the United States until we receive approval of an NDA from the FDA. Neither we nor our partners have ever received NDA or other marketing approval for any of our drug candidates.

Obtaining NDA approval is a lengthy, expensive and uncertain process. In addition, failure to comply with FDA and other applicable foreign and U.S. regulatory requirements may subject us to administrative or judicially imposed sanctions. These include warning letters, civil and criminal penalties, injunctions, product seizure or detention, product recalls, total or partial suspension of production, and refusal to approve pending NDAs or supplements to approved NDAs.

Although we have announced positive results from SEQUOIA-HCM for aficamten and GALACTIC-HF for omecamtiv mecarbil, regulatory approval of an NDA, NDA supplement or other marketing application for our drug candidates is never guaranteed, and the approval process typically takes several years and is extremely expensive. For example, our NDA for omecamtiv mecarbil for the treatment of HFrEF resulted in a CRL notwithstanding the fact that GALACTIC-HF met its primary efficacy endpoint. The FDA and foreign regulatory agencies also have substantial discretion in the drug approval process, and the guidance and advice issued by such agencies is subject to change at any time. As the omecamtiv mecarbil NDA example illustrates, while we are planning to submit an NDA to FDA and an MAA to EMA for aficamten, such marketing applications may not be approved for filing or may not lead to any regulatory approvals for aficamten, or may result in a requirement to conduct additional clinical trials prior to any potential approvals, which would increase our development costs and delay or preclude any revenue from commercial sales of aficamten. In any event, despite the time and efforts exerted, failure can occur at any stage, and we may encounter problems that cause us to abandon clinical trials or to repeat or perform additional preclinical testing and clinical trials. For example, the CRL we received from FDA in connection with our NDA for omecamtiv mecarbil stated that results from an additional clinical trial of omecamtiv mecarbil are required to establish substantial evidence of effectiveness for the treatment of HFrEF, with benefits that outweigh the risks. The number and focus of preclinical studies and clinical trials that will be required for approval by the FDA and foreign regulatory agencies varies depending on the drug candidate, the disease or condition that the drug candidate is designed to address, and the regulations applicable to any particular drug candidate. In addition, the FDA may require that a proposed REMS be submitted as part of an NDA if the FDA determines that it is necessary to ensure that the benefits of the drug outweigh its risks. The FDA and foreign regulatory agencies can delay, limit or deny approval of a drug candidate for many reasons, including, but not limited to:

- they might determine that a drug candidate is not safe or effective;
- they might not find the data from non-clinical testing and clinical trials sufficient and could request that additional trials be performed;
- they might not approve our, our partner’s or the contract manufacturer’s processes or facilities; or
- they might change their approval policies or adopt new regulations.

Even if we receive regulatory approval to manufacture and sell a drug in a particular regulatory jurisdiction, other jurisdictions’ regulatory authorities may not approve that drug for manufacture and sale. Moreover, the refusal of one regulatory authority to approve one of our drug candidates may influence the decision-making of another regulatory authority in a different jurisdiction in a manner that is adverse to us.

If we or our partners fail to receive and maintain regulatory approval for the sale of any drugs resulting from our drug candidates, it would significantly harm our business and negatively affect our stock price.

Clinical trials may fail to demonstrate the desired safety and efficacy of our drug candidates, which could prevent or significantly delay completion of clinical development and regulatory approval.

Prior to receiving approval to commercialize any of our drug candidates, we or our partners must adequately demonstrate to the satisfaction of FDA and foreign regulatory authorities that the drug candidate is sufficiently safe and effective with substantial evidence from well-controlled clinical trials. We or our partners will need to demonstrate efficacy in clinical trials for the treatment of specific indications and monitor safety throughout the clinical development process and following approval. None of our drug candidates have yet met the safety and efficacy standards required for regulatory approval for commercialization and they may never do so. For example, the CRL we received on February 28, 2023 in connection to our NDA for omecamtiv mecarbil stated the results of GALACTIC-HF are not sufficiently persuasive to establish substantial evidence of effectiveness for reducing the risk of heart failure events and cardiovascular death in adults with chronic heart failure with HFrEF, and on March 31, 2023, we announced the discontinuation of COURAGE-ALS, our Phase 3 clinical trial of reldesemtiv in patients with ALS, due to futility. More recently, on May 7, 2024, we informed the CHMP of the EMA of our decision to voluntarily withdraw our MAA for omecamtiv mecarbil after receiving feedback that the committee will not be able to conclude that the benefits of omecamtiv mecarbil outweigh the risks associated with the drug on the basis of the results from GALACTIC-HF alone.

In addition, for each of our preclinical compounds, we or our partners must adequately demonstrate satisfactory chemistry, formulation, quality, stability and toxicity in order to submit an IND to the FDA, or an equivalent application in foreign jurisdictions, that would allow us to advance that compound into clinical trials. Furthermore, we or our partners may need to submit separate INDs (or foreign equivalent) to different divisions within the FDA (or foreign regulatory authorities) in order to pursue clinical trials in different therapeutic areas. Each new IND (or foreign equivalent) must be reviewed by the new regulatory division before the clinical trial under its jurisdiction can proceed, entailing all the risks of delay inherent to regulatory review. If our or our partners' current or future preclinical studies or clinical trials are unsuccessful, our business will be significantly harmed and our stock price could be negatively affected.

All of our drug candidates are prone to the risks of failure inherent in drug development. Preclinical studies may not yield results that would adequately support the filing of an IND (or a foreign equivalent) with respect to our potential drug candidates. Even if the results of preclinical studies for a drug candidate are sufficient to support such a filing, the results of preclinical studies do not necessarily predict the results of clinical trials. As an example, because the physiology of animal species used in preclinical studies may vary substantially from other animal species and from humans, it may be difficult to assess with certainty whether a finding from a study in a particular animal species will result in similar findings in other animal species or in humans. For any of our drug candidates, the results from Phase 1 clinical trials in healthy volunteers and clinical results from Phase 1 and 2 trials in patients are not necessarily indicative of the results of later and larger clinical trials that are necessary to establish whether the drug candidate is safe and effective for the applicable indication. Likewise, interim results from a clinical trial may not be indicative of the final results from that trial, and results from early Phase 2 clinical trials may not be indicative of the results from later clinical trials.

In addition, while the clinical trials of our drug candidates are designed based on the available relevant information, such information may not accurately predict what actually occurs during the course of the trial itself, which may have consequences for the conduct of an ongoing clinical trial or for the eventual results of that trial. For example, the number of patients planned to be enrolled in a placebo-controlled clinical trial is determined in part by estimates relating to expected treatment effect and variability about the primary endpoint. These estimates are based upon earlier non-clinical and clinical studies of the drug candidate itself and clinical trials of other drugs thought to have similar effects in a similar patient population. If information gained during the conduct of the trial shows these estimates to be inaccurate, we may elect to adjust the enrollment accordingly, which may cause delays in completing the trial, additional expense or a statistical penalty to apply to the evaluation of the trial results.

Furthermore, in view of the uncertainties inherent in drug development, such clinical trials may not be designed with focus on indications, patient populations, dosing regimens, endpoints, safety, efficacy or pharmacokinetic parameters or other variables that will provide the necessary safety or efficacy data to support regulatory approval to commercialize the resulting drugs. Clinical trials of our drug candidates are designed based on guidance or advice from regulatory agencies, which is subject to change during the development of the drug candidate at any time. Such a change in a regulatory agency's guidance or advice may cause that agency to deem results from trials to be insufficient to support approval of the drug candidate and require further clinical trials of that drug candidate to be conducted. In addition, individual patient responses to the dose administered of a drug may vary in a manner that is difficult to predict. Also, the methods we select to assess particular safety, efficacy or pharmacokinetic parameters may not yield the same statistical precision in estimating our drug candidates' effects as may other methodologies. Even if we believe the data collected from clinical trials of our drug candidates are promising, these data may not be sufficient to support approval by the FDA or foreign regulatory authorities. Non-clinical and clinical data can be interpreted in different ways. Accordingly, the FDA or foreign regulatory authorities could interpret these data in different ways from us or our partners, which could delay, limit or prevent regulatory approval.

Furthermore, while planned interim analyses in clinical trials can enable early terminations for futility or for overwhelming efficacy, the timing, which can be based on accrual of events, enrollment or other factors, and the results of such analyses, is unpredictable.

Administering any of our drug candidates or potential drug candidates may produce undesirable side effects, also known as adverse events. Toxicities and adverse events observed in preclinical studies for some compounds in a particular research and development program may also occur in preclinical studies or clinical trials of other compounds from the same program. Potential toxicity issues may arise from the effects of the active pharmaceutical ingredient itself or from impurities or degradants that are present in the active pharmaceutical ingredient or could form over time in the formulated drug candidate or the active pharmaceutical ingredient. These toxicities or adverse events could delay or prevent the filing of an IND (or a foreign equivalent) with respect to our drug candidates or potential drug candidates or cause us, our partners or the FDA or foreign regulatory authorities to modify, suspend or terminate clinical trials with respect to any drug candidate at any time during the development program. Further, the administration of two or more drugs contemporaneously can lead to interactions between them, and our drug candidates may interact with other drugs that trial subjects are taking. If the adverse events are severe or frequent enough to outweigh the potential efficacy of a drug candidate, the FDA or other regulatory authorities could deny approval of that drug candidate for any or all targeted indications. Even if one or more of our drug candidates were approved for sale as drugs, the occurrence of even a limited number of adverse events or toxicities when used in large populations may cause the FDA or foreign regulatory authorities to impose restrictions on, or stop, the further marketing of those drugs. Indications of potential adverse events or toxicities which do not seem significant during the course of clinical trials may later turn out to actually constitute serious adverse events or toxicities when a drug is used in large populations or for extended periods of time.

We have observed certain adverse events in the clinical trials conducted with our drug candidates. Moreover, clinical trials of our drug candidates enroll patients who typically suffer from serious diseases which put them at increased risk of death. These patients may die while receiving our drug candidates. In such circumstances, it may not be possible to exclude with certainty a causal relationship to our drug candidate, even though the responsible clinical investigator may view such an event as not study drug-related.

Any failure or significant delay in completing preclinical studies or clinical trials for our drug candidates, or in receiving and maintaining regulatory approval for the sale of any resulting drugs, may significantly harm our business and negatively affect our stock price.

Our clinical trials, including FOREST-HCM, MAPLE-HCM and ACACIA-HCM, are expensive, time-consuming and may be subject to delay.

Clinical trials are subject to rigorous regulatory requirements and are very expensive, difficult and time-consuming to design and implement. The length of time and number of trial sites and patients required for clinical trials vary substantially based on the type, complexity, novelty, intended use of the drug candidate and safety concerns. Clinical trials of our current drug candidates can each continue for several more years. However, the clinical trials for all or any of our drug candidates may take significantly longer to complete. In addition, as is the case for omecamtiv mecarbil given the CRL requirement to perform an additional Phase 3 clinical trial, the time and expense associated with an additional clinical trial may limit the commercial returns given the eventual loss of market exclusivity. The commencement and completion of our or our partners' clinical trials could be delayed or prevented by many factors, including, but not limited to:

- delays in obtaining, or inability to obtain, regulatory or other approvals to commence and conduct clinical trials in the manner we or our partners deem necessary for the appropriate and timely development of our drug candidates and commercialization of any resulting drugs;
- delays in identifying and reaching agreement, or inability to identify and reach agreement, on acceptable terms, with prospective clinical trial sites and other entities involved in the conduct of our or our partners' clinical trials;

- delays or additional costs in developing, or inability to develop, appropriate formulations of our drug candidates for clinical trial use;
- slower than expected rates of patient recruitment and enrollment;
- for those drug candidates that are the subject of a strategic alliance, delays in reaching agreement with our partner as to appropriate development strategies;
- a regulatory authority may require changes to a protocol for a clinical trial that then may require approval from regulatory agencies in other jurisdictions where the trial is being conducted;
- a regulatory authority in one jurisdiction may not accept a clinical trial design that is acceptable in another jurisdiction;
- an IRB or its foreign equivalent may require changes to a protocol that then require approval from regulatory agencies and other IRBs and their foreign equivalents, or regulatory authorities may require changes to a protocol that then require approval from the IRBs or their foreign equivalents;
- for clinical trials conducted in foreign countries, the time and resources required to identify, interpret and comply with foreign regulatory requirements or changes in those requirements, and political instability or natural disasters occurring in those countries;
- lack of effectiveness of our drug candidates during clinical trials;
- unforeseen safety issues;
- inadequate supply, or delays in the manufacture or supply, of clinical trial materials;
- uncertain dosing issues;
- failure by us, our partners, or clinical research organizations, investigators or site personnel engaged by us or our partners to comply with good clinical practices and other applicable laws and regulations, including those concerning informed consent;
- inability or unwillingness of investigators or their staffs to follow clinical protocols;
- failure by our clinical research organizations, clinical manufacturing organizations and other third parties supporting our or our partners' clinical trials to fulfill their obligations;
- inability to monitor patients adequately during or after treatment;
- introduction of new therapies or changes in standards of practice or regulatory guidance that render our drug candidates or their clinical trial endpoints obsolete; and
- results from non-clinical studies that may adversely impact the timing or further development of our drug candidates.

We do not know whether planned clinical trials will begin on time, or whether planned or currently ongoing clinical trials will need to be restructured or will be completed on schedule, if at all. Significant delays in clinical trials will impede our ability to commercialize our drug candidates and generate revenue and could significantly increase our development costs.

If we encounter difficulties enrolling patients in our clinical trials, including MAPLE-HCM and ACACIA-HCM, our clinical development activities could be delayed or otherwise adversely affected.

The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients who remain in the trial until its conclusion. We may experience difficulties in patient enrollment in clinical trials for a variety of reasons. The enrollment of patients depends on many factors, including:

- the patient eligibility criteria defined in the protocol;
- the size of the patient population required for analysis of the trial's primary endpoints;
- the proximity of patients to study sites;
- the design of the trial;
- the ability to recruit clinical trial investigators with the appropriate competencies and experience;
- clinicians' and patients' perceptions as to the potential advantages of the product candidate being studied in relation to other available therapies or clinical trials, including any new drugs that may be approved for the indications we are investigating or clinical trial results;

- the ability to obtain and maintain patient consents;
- the risk that patients enrolled in clinical trials will drop out of the trials before completion.

In addition, our and our partners' clinical trials will compete with other clinical trials for product candidates that are in the same therapeutic areas as our and our partners' product candidates, and this competition will reduce the number and types of patients available to us, because some patients who might have opted to enroll in our or our partners' trials may instead opt to enroll in a trial being conducted by one of our competitors. Since the number of qualified clinical investigators is limited, we expect to conduct some of our or our partners' clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials in such clinical trial site.

Delays in patient enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could prevent completion of these trials and adversely affect our and our partners' ability to advance the development of product candidates.

The failure to successfully develop, manufacture and obtain regulatory clearance or approval of an antibody-based immunoassay for blood concentrations of omecamtiv mecarbil by Microgenics Corporation, a subsidiary of Thermo Fisher, could harm our development and commercialization strategy for omecamtiv mecarbil in key markets. In addition, if required by FDA and/or EMA as part of any approved label for omecamtiv mecarbil, we will be dependent on Microgenics to manufacture and commercialize such an immunoassay in sufficient quantities in all key markets in which we may seek to commercialize omecamtiv mecarbil.

In connection with our NDA and our MAA for omecamtiv mecarbil, FDA and/or EMA may require that patients treated with omecamtiv mecarbil have their blood monitored during titration for concentrations of the drug in order to ensure optimized dosing that maximizes benefits without undue increased risk. We have recently contracted with Microgenics Corporation, a subsidiary of Thermo Fisher, to develop and eventually commercialize an antibody-based immunoassay for blood concentrations of omecamtiv mecarbil. The development, manufacture and regulatory approval of an antibody-based immunoassay, however, may be complex and/or time consuming. Such an immunoassay could require regulatory clearance by FDA as a companion diagnostic device or similar regulatory clearance by EMA, and there is no assurance that such regulatory clearance will be obtained. In addition, if required by FDA and/or EMA as part of any approved label for omecamtiv mecarbil, we will be dependent on Microgenics Corporation to successfully manufacture and commercialize its immunoassay in sufficient quantities in all key markets in which we may seek to commercialize omecamtiv mecarbil, failing which, our potential sales of omecamtiv mecarbil could be materially adversely affected.

We depend on CROs to conduct our clinical trials as well as other third parties to manufacture drug candidates for use in clinical trials and we have limited control over their performance. If these CROs do not successfully carry out their contractual duties or meet expected deadlines, or if we lose any of our CROs, we may not be able to obtain regulatory approval for or commercialize our product candidates on a timely basis, if at all.

We have used and intend to continue to use a limited number of CROs within and outside of the United States to conduct clinical trials of our drug candidates and related activities. We do not have control over many aspects of our CROs' activities, and cannot fully control the amount, timing or quality of resources that they devote to our programs. CROs may not assign as high a priority to our programs or pursue them as diligently as we would if we were undertaking these programs ourselves. The activities conducted by our CROs therefore may not be completed on schedule or in a satisfactory manner. CROs may also give higher priority to relationships with our competitors and potential competitors than to their relationships with us. Outside of the United States, we are particularly dependent on our CROs' expertise in communicating with clinical trial sites and regulatory authorities and ensuring that our clinical trials and related activities and regulatory filings comply with applicable laws.

Our CROs' failure to carry out development activities on our behalf as agreed and in accordance with our and the FDA's or other regulatory agencies' requirements and applicable U.S. and foreign laws, or our failure to properly coordinate and manage these activities, could increase the cost of our operations and delay or prevent the development, approval and commercialization of our drug candidates. In addition, if a CRO fails to perform as agreed, our ability to collect damages may be contractually limited. If we fail to effectively manage the CROs carrying out the development of our drug candidates or if our CROs fail to perform as agreed, the commercialization of our drug candidates will be delayed or prevented. In many cases, our CROs have the right to terminate their agreements with us in the event of an uncured material breach. Identifying, qualifying and managing performance of third-party service providers can be difficult, time consuming and cause delays in our development programs. In addition, there is a natural transition period when a new CRO commences work and the new CRO may not provide the same type or level of services as the original provider. If any of our relationships with our third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs or to do so timely or on commercially reasonable terms.

The mechanisms of action of certain of our drug candidates are unproven, and we do not know whether we will be able to develop any drug of commercial value.

We have discovered and develop drug candidates that have what we believe are novel mechanisms of action directed against cytoskeletal targets. The results we have seen for our compounds in preclinical models may not translate into similar results in humans, and results of early clinical trials in humans may not be predictive of the results of larger clinical trials that may later be conducted with our drug candidates. Even if we are successful in developing and receiving regulatory approval for a drug candidate for the treatment of a particular disease, we cannot be certain that it will be accepted by prescribers or be reimbursed by insurers or that we will also be able to develop and receive regulatory approval for that or other drug candidates for the treatment of other diseases. If we or our partners are unable to successfully develop and commercialize our drug candidates, our business will be materially harmed.

Moreover, in the event any of our competitors were to develop their own drug candidates that have a similar mechanism of action to any of our drug candidates and compounds, any efficacy or safety concerns identified during the development of such similar drug candidates may have an adverse impact on the development of our own drug candidates. For example, if a competitor's drug candidate having a similar mechanism of action as any of our own drug candidates is shown in clinical trials to give rise to serious safety concerns or have poor efficacy when administered to the target patient population, the FDA or other regulatory bodies may subject our drug candidates to increased scrutiny, leading to additional delays in development and potentially decreasing the chance of ultimate approval of our own drug candidates.

We have been granted orphan designation by the FDA for aficamten for the potential treatment of symptomatic HCM; however, there can be no guarantee that we will receive approval for aficamten for this indication, nor that we will be able to prevent third parties from developing and commercializing products that are competitive to aficamten.

We have been granted orphan drug designation in the U.S. by the FDA for aficamten for the treatment of symptomatic HCM. In the U.S., upon approval from the FDA of an NDA, products granted orphan drug designation are generally provided with seven years of marketing exclusivity in the U.S., meaning the FDA will generally not approve applications for other product candidates that contain the same active ingredient for the same orphan indication. Even if we are the first to obtain approval of an orphan product and are granted such exclusivity in the U.S., there are limited circumstances under which a later competitor product may be approved for the same indication during the seven-year period of marketing exclusivity, such as if the later product is shown to be clinically superior to our product or due to an inability to assure a sufficient quantity of the orphan drug.

We are not guaranteed to maintain orphan status from the FDA for aficamten or to receive orphan status for aficamten for any other indication or for any of our other drug candidates for any indication. If our drug candidates that are granted orphan status were to lose their status as orphan drugs or the marketing exclusivity provided for them in the U.S., business and results of operations could be materially adversely affected. While orphan status for any of our products, if granted or maintained, would provide market exclusivity in the U.S. for the time periods specified above, we would not be able to exclude other companies from manufacturing and/or selling products using the same active ingredient for the same indication beyond the exclusivity period applicable to our product on the basis of orphan drug status. Moreover, we cannot guarantee that another company will not receive approval before we do of an orphan drug application in the U.S. for a product candidate that has the same active ingredient or is a similar medicinal product for the same indication as any of our drug candidates for which we plan to file for orphan designation and status. If that were to happen, our orphan drug applications for our drug candidate for that indication may not be approved until the competing company’s period of exclusivity has expired in the U.S., as applicable. Further, application of the orphan drug regulations in the U.S. is uncertain, and we cannot predict how the respective regulatory bodies will interpret and apply the regulations to our or our competitors’ products.

We have been granted Breakthrough Therapy Designation for aficamten by the FDA and we may seek additional special designations from regulatory authorities to expedite the review and approval process for our product candidates. However, these designations may not lead to a faster development or regulatory review or approval process, and it does not increase the likelihood that our product candidates will receive marketing approval.

We have been granted Breakthrough Therapy Designation for aficamten for oHCM by the FDA and may seek these and/or additional special designations from regulatory authorities to expedite the review and approval process for our product candidates. A breakthrough therapy is defined as a drug candidate that is intended, alone or in combination with one or more other products, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over existing therapies on one or more clinically important endpoints, such as substantial treatment effects observed early in clinical development. For products that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Drug candidates designated as breakthrough therapies by the FDA can also be eligible for accelerated approval. If a drug candidate is intended for the treatment of a serious or life-threatening condition and the product demonstrates the potential to address unmet medical needs for this condition, the drug candidate sponsor may apply for Fast Track Designation.

Fast Track Designation is an FDA process designed to facilitate the development and expedite the review of drugs to treat serious conditions and fill an unmet medical need. The purpose of the program is to make important new drugs available to the patient earlier. Filling an unmet medical need is defined as providing a therapy where none exists or providing a potential improvement upon the current standard of care. Once a drug candidate receives Fast Track Designation, early and frequent communication between the FDA and the sponsor is encouraged throughout the entire drug development and review process. The frequency of communication assures that questions and issues are resolved quickly, often leading to earlier drug approval and access by patients.

The FDA has broad discretion whether or not to grant these designations, so even if we believe a particular drug candidate is eligible for a particular designation, we cannot assure you that the FDA would decide to grant it. Accordingly, even if we believe one of our drug candidates meets the criteria for a designation, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of a particular designation for a product candidate may not result in a faster development process, review or approval compared to drug candidates considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our drug candidates qualify as breakthrough therapies, the FDA may later decide that the products no longer meet the conditions for qualification and rescind the breakthrough designation. Further, the FDA may withdraw Fast Track Designation if it believes that the designation is no longer supported by data from a clinical development program.

If we are unable to maintain any existing Breakthrough Therapy Designation or Fast Track Designation or fail to secure such designation for any additional product candidates, this would have an adverse impact on our development timelines and our ability to obtain approval for and commercialize our product candidates.

Disruptions at the FDA and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire and retain key leadership and other personnel, or otherwise prevent new products and services from being developed or commercialized in a timely manner, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, including for 35 days beginning on December 22, 2018, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Separately, in response to the global COVID-19 pandemic, the FDA had a period during which manufacturing inspections were not conducted, leading to delay, and has resumed on-site inspections of domestic manufacturing facilities subject to a risk-based prioritization system. If a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Risks Specific to our Company in connection with our Commercial Operations

The size of the potential market for aficamten or our other product candidates is difficult to estimate and, if any of our assumptions are inaccurate, the actual markets for our product candidates may be smaller than our estimates. If the market opportunities for any product candidates we develop are smaller than we believe they are, or if any approval that we obtain is based on a narrower definition of the patient population, our potential revenues may be adversely affected, and our business may suffer.

We have based our potential market opportunity on a number of internal and third-party estimates and resources, including, without limitation, our estimates and research, as well as industry and general publications and research, surveys and studies conducted by third parties, which may be incorrect. Our estimated potential market opportunity for cardiac myosin inhibitors in HCM is based on the following assumptions: our understanding of the prevalence of HCM in the general population from published epidemiological studies and analysis of longitudinal claims data, the percentage split of diagnosed obstructive HCM and non-obstructive HCM patients derived from market research and patient transaction databases, the percentage of available symptomatic patients not adequately managed by the current standard of care among diagnosed HCM patients, rates of patient compliance and persistence, based on patient transaction database and/or third-party market research. The conditions supporting our assumptions or estimates and the market data supporting these assumptions and estimates may change at any time or otherwise be inaccurate, thereby reducing the predictive accuracy of these underlying factors. Our total addressable market will ultimately depend upon, among other things, the number of actual treatable symptomatic patients on cardiac myosin inhibitors therapy over time, the subset of eligible HCM patients included in the final label for each of our product candidates, if approved for sale for these indications, acceptance and accessibility by the medical community and patients, market share, drug pricing and reimbursement across payer types (i.e., Medicare, commercial, Medicaid, etc.). The number of patients with HCM, HFpEF or HFrEF in the United States and other major markets and elsewhere may turn out to be materially lower than expected, patients may not be otherwise amenable to treatment with our product candidates or new patients may become increasingly difficult to identify or gain access to, all of which would harm our results of operations and our business. For example, our estimates of the number patients using cardiac myosin inhibitors and, therefore, our estimated total addressable market are based on claims data analysis and research. If our conclusions, analysis or internally generated data prove to be inaccurate or we make errors in our assumptions based on that data, our total addressable market may be meaningfully smaller than we have estimated, our future growth opportunities and sales growth may be impaired, any of which could have a material adverse effect on our business, financial condition and results of operations.

Our competitors may develop drugs that are less expensive, safer and/or more effective than ours, which may diminish or eliminate the commercial success of any drugs that we may commercialize.

We compete with companies that have developed drugs or are developing drug candidates for cardiovascular diseases, diseases and conditions associated with muscle weakness or wasting and other diseases for which our drug candidates may be useful treatments.

Our competitors may:

- develop drug candidates and market drugs that are less expensive or more effective than our future drugs;
- commercialize competing drugs before we or our partners can launch any drugs developed from our drug candidates;
- hold or obtain proprietary rights that could prevent us from commercializing our products;
- initiate or withstand substantial price competition more successfully than we can;
- more successfully recruit skilled scientific workers and management from the limited pool of available talent;
- more effectively negotiate third-party licenses and strategic alliances;
- take advantage of acquisition or other opportunities more readily than we can;
- develop drug candidates and market drugs that increase the levels of safety or efficacy that our drug candidates will need to show in order to obtain regulatory approval; or
- introduce therapies or market drugs that render the market opportunity for our potential drugs obsolete.

We will compete for market share against large pharmaceutical and biotechnology companies and smaller companies that are collaborating with larger pharmaceutical companies, new companies, academic institutions, government agencies and other public and private research organizations. Many of these competitors, either alone or together with their partners, may develop new drug candidates that will compete with ours. Many of these competitors have larger research and development programs or substantially greater financial resources than we do. Our competitors may also have significantly greater experience in:

- developing drug candidates;

- undertaking preclinical testing and clinical trials;
- building relationships with key customers and opinion-leading physicians;
- obtaining and maintaining FDA and other regulatory approvals of drug candidates;
- formulating and manufacturing drugs; and
- launching, marketing and selling drugs.

If our competitors market drugs that are less expensive, safer and/or more efficacious than our potential drugs, or that reach the market sooner than our potential drugs, we may not achieve commercial success. In addition, the life sciences industry is characterized by rapid technological change. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Our competitors may render our technologies obsolete by improving existing technological approaches or developing new or different approaches, potentially eliminating the advantages in our drug discovery process that we believe we derive from our research approach and proprietary technologies.

Even if our drug candidates are approved, we may experience difficulties or delays in achieving market access, reimbursement and favorable drug pricing for our drug products.

We currently have limited interactions and relationships with payors. Over time, we anticipate that our drugs will be adopted by our patients as indicated by the labels once they are approved by regulatory authorities. To achieve this adoption, our drugs will need to be covered and listed in formularies of major pharmacy benefit managers and payors in the U.S. These major pharmacy benefit managers and payors include Medicare, Medicaid, VA, DoD, TriCare, and other commercial payors with whom we have had limited interactions. The process to achieve coverage with pharmacy benefit managers and payors can be time consuming, is not guaranteed and if achieved can impact profitability given the level of rebates often required.

Specifically in relation to aficamten and omecamtiv mecarbil, even if such drug candidates are ultimately approved by the FDA or other regulatory authorities for commercialization, they may not become a guideline-directed medical therapy for oHCM or HFrEF respectively or they may not reach such status in a timely manner upon commercialization, which may adversely impact its sales prospects. Furthermore, we assume omecamtiv mecarbil will have a disproportionally larger share of Medicare patients relative to commercial and other payors. Overall coverage could be delayed given Medicare's defined bid timelines for inclusion in the Medicare Part D formulary. In addition, the rebate levels we may have to offer to pharmacy benefit managers and payors to be included in their formularies may also impact the profitability of omecamtiv mecarbil.

Moreover, pricing of our drug candidates, if approved by the FDA or other regulatory authorities for commercialization, may be impacted by cost-effectiveness and economic analyses by a Health Technology Assessment organization such as the Institute for Clinical and Economic Review, or ICER, an independent non-profit research institute that produces reports analyzing the evidence underlying the effectiveness and value of drugs and other medicinal services. ICER assessments and recommended pricing based on cost-effectiveness may affect our ability to obtain favorable pricing terms with Medicare, Medicaid, VA, DoD, TriCare, and other commercial payors. For example, in November 2021, ICER published its final evidence report and policy recommendations related to CAMZYOS™ (mavacamten), a small molecule myosin inhibitor developed formerly by MyoKardia, Inc. and commercialized by Bristol-Myers Squibb Company that has a similar mechanism of action to aficamten. The report concluded that a majority of contributing panelists found that current evidence was not adequate to demonstrate a net health benefit for CAMZYOS™ (mavacamten) added to background therapy when compared to background therapy alone or a net health benefit of CAMZYOS™ (mavacamten) when compared to disopyramide. Moreover, ICER's final report concluded that modeling short-term clinical benefits of CAMZYOS™ (mavacamten) over a longer time period produces a health-benefit price benchmark index for CAMZYOS™ (mavacamten) between $12,000-$15,000 per year, significantly lower than Bristol-Myers Squibb Company's current annual list price in the U.S. Whilst not binding on Medicare, Medicaid, VA, DoD, TriCare, and other commercial payors, or indicative of the net health benefits, ICER could conclude for aficamten a similar conclusion that could adversely impact our ability to obtain favorable pricing and/or reimbursement.

The commercial success of our products depends on the availability and sufficiency of third-party payor coverage and reimbursement.

Patients in the United States and elsewhere generally rely on third-party payors to reimburse part or all of the costs associated with their prescription drugs. Accordingly, market acceptance of our products is dependent on the extent to which third-party coverage and reimbursement is available from government health administration authorities (including in connection with government healthcare programs, such as Medicare and Medicaid in the United States), private healthcare insurers and other healthcare funding organizations. Significant uncertainty exists as to the coverage and reimbursement status of any products for which we may obtain regulatory approval. Even if we obtain coverage for a given drug product, the timeframe from approval to coverage could be lengthy, inadequate, and/or the associated reimbursement rate may not be adequate to cover our costs, including research, development, intellectual property, manufacture, sale and distribution expenses, or may require co-payments that patients find unacceptably high.

Coverage and reimbursement policies for drug products can differ significantly from payor to payor as there is no uniform policy of coverage and reimbursement for drug products among third-party payors in the United States. There may be significant delays in obtaining coverage and reimbursement as the process of determining coverage and reimbursement is often time-consuming and costly which will require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage or adequate reimbursement will be obtained. It is difficult to predict at this time what third-party will decide with respect to coverage and reimbursement for our products. Coverage policies and third party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

In addition, there is significant uncertainty regarding the reimbursement status of newly approved healthcare products. We may need to conduct expensive pharmacoeconomic studies in order to demonstrate the cost-effectiveness of our products. If third-party payors do not consider our products to be cost-effective compared to other therapies, the payors may not cover our products as a benefit under their plans, or if they do, the level of payment may not be sufficient to allow us to sell our products on a profitable basis.

Additionally, we or our partners may develop companion diagnostic tests for use with our product candidates. Companion diagnostic tests require coverage and reimbursement separate and apart from the coverage and reimbursement for their companion pharmaceutical or biological products. Similar challenges to obtaining coverage and reimbursement, applicable to pharmaceutical products, will apply to companion diagnostics.

We expect that increased emphasis on cost containment measures in the United States by third-party payors to continue and will place pressure on pharmaceutical pricing and coverage. Coverage policies and third-party reimbursement rates may change at any time. Therefore, even if favorable coverage and reimbursement status is attained for one or more drug products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future. If we are unable to obtain and maintain sufficient third-party coverage and adequate reimbursement for our products, the commercial success of our drug products may be greatly hindered and our financial condition and results of operations may be materially and adversely affected.

We have no manufacturing capabilities and depend on contract manufacturers to produce our clinical trial materials, including our drug candidates, and will have continued reliance on contract manufacturers for the development and commercialization of our potential drugs.

We do not currently operate manufacturing facilities for clinical or commercial production of our drug candidates and rely on CMOs for the manufacture of finished drug product and active pharmaceutical ingredient. We have limited experience in drug formulation and manufacturing, and we lack the resources and the capabilities to manufacture any of our drug candidates on a clinical or commercial scale.

In addition, under the Ji Xing Agreements, we have committed to providing Ji Xing with supply of aficamten and omecamtiv mecarbil for development and commercialization of aficamten and omecamtiv mecarbil in China and Taiwan, which we will have to source from our contract manufacturers. We expect to rely on contract manufacturers to supply all future drug candidates for which we conduct development, as well as other materials required to conduct our clinical trials, and to fulfil our obligations under the Ji Xing Agreements.

If any of our existing or future contract manufacturers fail to perform satisfactorily, it could delay development or regulatory approval of our drug candidates or commercialization of our drugs, producing additional losses and depriving us of potential product revenues, and also lead to our breach of one or both of the Ji Xing Agreements, giving rise to the ability to terminate such agreements and other adverse consequences as stipulated in the Ji Xing Agreements. In addition, if a contract manufacturer fails to perform as agreed, our ability to collect damages may be contractually limited.

Our drug candidates require precise high-quality manufacturing. The failure to achieve and maintain high manufacturing standards, including failure to detect or control anticipated or unanticipated manufacturing errors or the frequent occurrence of such errors, could result in patient injury or death, discontinuance or delay of ongoing or planned clinical trials, delays or failures in product testing or delivery, cost overruns, product recalls or withdrawals and other problems that could seriously hurt our business. Contract drug manufacturers often encounter difficulties involving production yields, quality control and quality assurance and shortages of qualified personnel. These manufacturers are subject to stringent regulatory requirements, including the FDA's current good manufacturing practices regulations and similar foreign laws and standards. Each contract manufacturer must pass a pre-approval inspection before we can obtain marketing approval for any of our drug candidates and following approval will be subject to ongoing periodic unannounced inspections by the FDA, the U.S. Drug Enforcement Agency and other regulatory agencies, to ensure strict compliance with current good manufacturing practices and other applicable government regulations and corresponding foreign laws and standards. We seek to ensure that our contract manufacturers comply fully with all applicable regulations, laws and standards. However, we do not have control over our contract manufacturers' compliance with these regulations, laws and standards. If one of our contract manufacturers fails to pass its pre-approval inspection or maintain ongoing compliance at any time, the production of our drug candidates could be interrupted, resulting in delays or discontinuance of our clinical trials, additional costs and potentially lost revenues. In addition, failure of any third-party manufacturers or us to comply with applicable regulations, including pre- or post-approval inspections and the current good manufacturing practice requirements of the FDA or other comparable regulatory agencies, could result in sanctions being imposed on us. These sanctions could include fines, injunctions, civil penalties, failure of regulatory authorities to grant marketing approval of our products, delay, suspension or withdrawal of approvals, license revocation, product seizures or recalls, operational restrictions and criminal prosecutions, any of which could significantly and adversely affect our business.

In addition, our existing and future contract manufacturers may not perform as agreed or may not remain in the contract manufacturing business for the time required to successfully produce, store and distribute our drug candidates. If a natural disaster, business failure, strike or other difficulty occurs, we may be unable to replace these contract manufacturers in a timely or cost-effective manner and the production of our drug candidates would be interrupted, resulting in delays, loss of customers and additional costs.

Switching manufacturers or manufacturing sites would be difficult and time-consuming because the number of potential manufacturers is limited. In addition, before a drug from any replacement manufacturer or manufacturing site can be commercialized, the FDA and, in some cases, foreign regulatory agencies, must approve that site. These approvals would require regulatory testing and compliance inspections. A new manufacturer or manufacturing site also would have to be educated in, or develop substantially equivalent processes for, production of our drugs and drug candidates. It may be difficult or impossible to transfer certain elements of a manufacturing process to a new manufacturer or for us to find a replacement manufacturer on acceptable terms quickly, or at all, either of which would delay or prevent our ability to develop drug candidates and commercialize any resulting drugs.

We may not be able to successfully manufacture our drug candidates in sufficient quality and quantity, which would delay or prevent us from developing our drug candidates and commercializing approved drug products, if any.

To date, our drug candidates have been manufactured in quantities adequate for preclinical studies and early through late-stage clinical trials. In order to conduct large scale clinical trials for a drug candidate and for commercialization of the resulting drug if that drug candidate is approved for sale, we will need to manufacture some drug candidates in larger quantities. We may not be able to successfully repeat or increase the manufacturing capacity for any of our drug candidates, whether in collaboration with third-party manufacturers or on our own, in a timely or cost-effective manner or at all. If a contract manufacturer makes improvements in the manufacturing process for our drug candidates, we may not own, or may have to share, the intellectual property rights to those improvements. Significant changes or scale-up of manufacturing may require additional validation studies, which are costly and which regulatory authorities must review and approve. In addition, quality issues may arise during those changes or scale-up activities because of the inherent properties of a drug candidate itself or of a drug candidate in combination with other components added during the manufacturing and packaging process, or during shipping and storage of the finished product or active pharmaceutical ingredients. If we are unable to successfully manufacture of any of our drug candidates in sufficient quality and quantity, the development of that drug candidate and regulatory approval or commercial launch for any resulting drugs may be delayed or there may be a shortage in supply, which could significantly harm our business. In addition, data demonstrating the stability of both drug substance and drug product, using the commercial manufacturing process and at commercial scale, are required for marketing applications. Failure to produce drug substance and drug products in a timely manner and obtain stability data could result in delay of submission of marketing applications.

If we or our partners receive regulatory approval for our drug candidates, we or they will be subject to ongoing obligations to and continued regulatory review by the FDA and foreign regulatory agencies, and may be subject to additional post-marketing obligations such as an ETASU or other form of REMS, all of which may result in significant expense and limit commercialization of our potential drugs.

Any regulatory approvals that we or our partners receive for our drug candidates may be subject to limitations on the indicated uses for which the drug may be marketed or require potentially costly post-marketing follow-up studies or compliance with a REMS. For example, CAMZYOS™ (mavacamten), a small molecule myosin inhibitor developed formerly by MyoKardia, Inc. and commercialized by Bristol-Myers Squibb Company that has a similar mechanism of action to aficamten, is subject to an ETASU REMS, an FDA imposed program designed to reinforce medication use behaviors and actions that support the safe use of certain medication with serious safety concerns to help ensure the benefits of the medication outweigh its risks. The CAMZYOS™ (mavacamten) ETASU REMS program requires, among other things, restrictions and qualifications on pharmacies that dispense the drug and certification, record-keeping and patient counselling obligations on physicians who prescribe the drug. The requirements of an ETASU REMS program may limit the commercial success of a drug due by making it more difficult for physicians to prescribe a drug and patients to obtain and subsequently use a drug. Since aficamten is a small molecule myosin inhibitor with a similar mechanism of action to CAMZYOS™ (mavacamten), it is possible that FDA or other regulatory bodies may condition aficamten's marketing approval on the implementation of a similar ETASU REMS program to that of CAMZYOS™ (mavacamten).

In addition, if the FDA or foreign regulatory agencies approves any of our drug candidates, the labeling, packaging, adverse event reporting, storage, advertising, promotion and record-keeping for the drug will be subject to extensive regulatory requirements. The subsequent discovery of previously unknown problems with the drug, including adverse events of unanticipated severity or frequency, or the discovery that adverse events or toxicities observed in preclinical research or clinical trials that were believed to be minor constitute much more serious problems, may result in restrictions on the marketing of the drug or withdrawal of the drug from the market.

The FDA and foreign regulatory agencies may change their policies and additional government regulations may be enacted that could prevent or delay regulatory approval of our drug candidates. We cannot predict the likelihood, nature or extent of adverse government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are not able to maintain regulatory compliance, we might not be permitted to market our drugs and our business would suffer.

If physicians and patients do not accept our drugs, we may be unable to generate significant revenue, if any.

Even if our drug candidates obtain regulatory approval, the resulting drugs, if any, may not gain market acceptance among physicians, healthcare payors, patients and the medical community. Even if the clinical safety and efficacy of drugs developed from our drug candidates are established for purposes of approval, physicians may elect not to recommend these drugs for a variety of reasons including, but not limited to:

- introduction of competitive drugs to the market;
- clinical safety and efficacy of alternative drugs or treatments;
- cost-effectiveness;
- availability of coverage and reimbursement from health maintenance organizations and other third-party payors;
- convenience and ease of administration;
- prevalence and severity of adverse events;
- other potential disadvantages relative to alternative treatment methods; or
- insufficient patient support;
- insufficient marketing and distribution support.

If our drugs fail to achieve market acceptance, we may not be able to generate significant revenue and our business would suffer.

Risks Specific to our Company in connection with our Intellectual Property

Our success depends substantially upon our ability to obtain and maintain intellectual property protection relating to our drug candidates, compounds and research technologies.

We own, co-own or hold exclusive licenses to a number of U.S. and foreign patents and patent applications directed to our drug candidates, compounds and research technologies. Our success depends on our ability to obtain patent protection both in the United States and in other countries for our drug candidates, their methods of manufacture and use, and our technologies. Our ability to protect our drug candidates, compounds and technologies from unauthorized or infringing use by third parties depends substantially on our ability to obtain and enforce our patents. If our issued patents and patent applications, if granted, do not adequately describe, enable or otherwise provide coverage of our technologies and drug candidates, we, our licensors or our licensees would not be able to exclude others from developing or commercializing these drug candidates. Furthermore, the degree of future protection of our proprietary rights is uncertain because legal means may not adequately protect our rights or permit us to gain or keep our competitive advantage. If we are unable to obtain and maintain sufficient intellectual property protection for our technologies and drug candidates, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize drug candidates similar or identical to ours, and our ability to successfully commercialize product candidates that we may pursue may be impaired.

Obtaining and enforcing biopharmaceutical patents is costly, time consuming and complex, and we may not be able to file and prosecute all necessary or desirable patent applications, or maintain, enforce and license any patents that may issue from such patent applications, at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. We may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the rights to patents licensed to third parties. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business.

Due to evolving legal standards relating to the patentability, validity and enforceability of patents covering pharmaceutical inventions and the claim scope of these patents, our ability to enforce our existing patents and to obtain and enforce patents that may issue from any pending or future patent applications is uncertain and involves complex legal, scientific and factual questions. The standards which the U.S. Patent and Trademark Office and its foreign counterparts use to grant patents are not always applied predictably or uniformly and are subject to change. To date, no consistent policy has emerged regarding the breadth of claims allowed in biotechnology and pharmaceutical patents. Thus, we cannot be sure that any patents will issue from any pending or future patent applications owned by, co-owned by or licensed to us. Even if patents do issue, we cannot be sure that the claims of these patents will be held valid or enforceable by a court of law, will provide us with any significant protection against competitive products, or will afford us a commercial advantage over competitive products. In particular:

- we or our licensors might not have been the first to make the inventions covered by each of our pending patent applications or issued patents;
- we or our licensors might not have been the first to file patent applications for the inventions covered by our pending patent applications or issued patents;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- some or all of our or our licensors' pending patent applications may not result in issued patents or the claims that issue may be narrow in scope and not provide us with competitive advantages;
- our and our licensors' issued patents may not provide a basis for commercially viable drugs or therapies or may be challenged and invalidated by third parties;
- our or our licensors' patent applications or patents may be subject to interference, post-grant proceedings, derivation, reexamination, inter partes review, opposition or similar legal and administrative proceedings that may result in a reduction in their scope or their loss altogether;
- we may not develop additional proprietary technologies or drug candidates that are patentable; or
- the patents of others may prevent us or our partners from discovering, developing or commercializing our drug candidates.

We may not be able to protect our intellectual property rights throughout the world. Patent protection is afforded on a country-by-country basis. Filing, prosecuting and defending patents on our product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. Many companies have encountered significant difficulties in protecting and defending intellectual property rights in foreign jurisdictions. Some of our development efforts are performed in countries outside of the United States through third-party contractors. We may not be able to effectively monitor and assess intellectual property developed by these contractors. We therefore may not be able to effectively protect this intellectual property and could lose potentially valuable intellectual property rights. In addition, the legal protection afforded to inventors and owners of intellectual property in countries outside of the United States may not be as protective of intellectual property rights as in the United States. Therefore, we may be unable to acquire and protect intellectual property developed by these contractors to the same extent as if these development activities were being conducted in the United States. If we encounter difficulties in protecting our intellectual property rights in foreign jurisdictions, our business prospects could be substantially harmed.

Patent terms may be inadequate to protect our competitive position on our technologies and drug candidates for an adequate amount of time. Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non-provisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our technologies and drug candidates are obtained, once the patent life has expired, we may be open to competition from competitive products, including generics or biosimilars. Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned, co-owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours or our partners.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements. Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and/or applications will be due to be paid to the USPTO and various governmental patent agencies outside of the United States in several stages over the lifetime of the patents and/or applications. Non-compliance could result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, our competitors might be able to enter the market and this circumstance would have a material adverse effect on our business.

We may be subject to claims challenging the inventorship or ownership of our patents and other intellectual property. We rely on intellectual property assignment agreements with our corporate partners, employees, consultants, scientific advisors and other collaborators to grant us ownership of new intellectual property that is developed. These agreements may not result in the effective assignment to us of that intellectual property. As a result, our ownership of key intellectual property could be compromised.

We or our licensors may be subject to claims that former employees, collaborators, consultants or other third parties have an interest in our owned, co-owned or in-licensed patents, trade secrets, or other intellectual property as an inventor or co-inventor. For example, we or our licensors may have inventorship disputes arise from conflicting obligations of employees, collaborators, consultants or others who are involved in developing our product candidates. Litigation may be necessary to defend against these and other claims challenging inventorship of our or our licensors' ownership of our owned, co-owned or in-licensed patents, trade secrets or other intellectual property. If we or our licensors fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, intellectual property that is important to our product candidates. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are a party to license agreements and may need to obtain additional licenses from others to advance our research and development activities or allow the commercialization of our drug candidates and future drug candidates we may identify and pursue. If we fail to comply with our obligations in the agreements under which we license intellectual property rights from third parties or these agreements are terminated or we otherwise experience disruptions to our business relationships with our licensors, we could lose intellectual property rights that are important to our business. Our licensors might conclude that we have materially breached our obligations under such license agreements and might therefore terminate, or seek to terminate, the license agreements, thereby removing or limiting our ability to develop and commercialize products and technology covered by these license agreements. If our license agreements are terminated, we may be required to cease our development and commercialization of our product candidates. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects. Moreover, disputes may arise regarding intellectual property subject to a licensing agreement. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the agreement, either of which could have a material adverse effect on our business, financial condition, results of operations and prospects. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

Changes in either the patent laws or their interpretation in the United States or other countries may diminish the value of our intellectual property or our ability to obtain patents. For example, the America Invents Act of 2011 may affect the scope, strength and enforceability of our patent rights in the United States or the nature of proceedings which may be brought by us related to our patent rights in the United States.

If one or more products resulting from our drug candidates is approved for sale by the FDA and we do not have adequate intellectual property protection for those products, competitors could duplicate them for approval and sale in the United States without repeating the extensive testing required of us or our partners to obtain FDA approval. Regardless of any patent protection, under current law, an application for a generic version of a new chemical entity cannot be approved until at least five years after the FDA has approved the original product. When that period expires, or if that period is altered, the FDA could approve a generic version of our product regardless of our patent protection. An applicant for a generic version of our product may only be required to conduct a relatively inexpensive study to show that its product is bioequivalent to our product, and may not have to repeat the lengthy and expensive clinical trials that we or our partners conducted to demonstrate that the product is safe and effective. In the absence of adequate patent protection for our products in other countries, competitors may similarly be able to obtain regulatory approval in those countries of generic versions of our products.

If we are unable to protect the confidentiality of our trade secrets, the value of our technology could be materially adversely affected and our business would be harmed.

We also rely on trade secrets to protect our technology, particularly where we believe patent protection is not appropriate or obtainable. However, trade secrets are often difficult to protect, especially outside of the United States. While we endeavor to use reasonable efforts to protect our trade secrets, our or our partners' employees, consultants, contractors or scientific and other advisors may unintentionally or willfully disclose our information to competitors. In addition, confidentiality agreements, if any, executed by those individuals may not be enforceable or provide meaningful protection for our trade secrets or other proprietary information in the event of unauthorized use or disclosure. We cannot be certain that such agreements have been entered into with all relevant parties, and we cannot be certain that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Pursuing a claim that a third party had illegally obtained and was using our trade secrets would be expensive and time-consuming, and the outcome would be unpredictable. Even if we are able to maintain our trade secrets as confidential, if our competitors lawfully obtain or independently develop information equivalent or similar to our trade secrets, our business could be harmed.

If we are not able to defend the patent or trade secret protection position of our technologies and drug candidates, then we will not be able to exclude competitors from developing or marketing competing drugs, and we may not generate enough revenue from product sales to justify the cost of development of our drugs or to achieve or maintain profitability.

If we are sued for infringing third-party intellectual property rights, it will be costly and time-consuming, and an unfavorable outcome could have a significant adverse effect on our business.

Our ability to commercialize drugs depends on our ability to use, manufacture and sell those drugs without infringing the patents or other proprietary rights of third parties. Numerous U.S. and foreign issued patents and pending patent applications owned by third parties exist in the therapeutic areas in which we are developing drug candidates and seeking new potential drug candidates. In addition, because patent applications can take several years to issue, there may be currently pending applications, unknown to us, which could later result in issued patents that our activities with our drug candidates could infringe. There may also be existing patents, unknown to us, that our activities with our drug candidates could infringe.

Other future products of ours may be impacted by patents of companies engaged in competitive programs with significantly greater resources. Further development of these products could be impacted by these patents and result in significant legal fees. If a third party claims that our actions infringe its patents or other proprietary rights, we could face a number of issues that could seriously harm our competitive position, including, but not limited to:

- infringement and other intellectual property claims that, even if meritless, can be costly and time-consuming to litigate, delay the regulatory approval process and divert management's attention from our core business operations;
- substantial damages for past infringement which we may have to pay if a court determines that our drugs or technologies infringe a third party's patent or other proprietary rights;
- a court prohibiting us from selling or licensing our drugs or technologies unless the holder licenses the patent or other proprietary rights to us, which it is not required to do; and
- if a license is available from a holder, we may have to pay substantial royalties or grant cross-licenses to our patents or other proprietary rights.

If any of these events occur, it could significantly harm our business and negatively affect our stock price.

We may undertake infringement or other legal proceedings against third parties, causing us to spend substantial resources on litigation and exposing our own intellectual property portfolio to challenge.

Third parties may infringe our patents. To prevent infringement or unauthorized use, we may need to file infringement suits, which are expensive and time-consuming. In an infringement proceeding, a court may decide that one or more of our patents is invalid, unenforceable, or both. In such case third parties may be able to use our technology without paying licensing fees or royalties. Even if the validity of our patents is upheld, a court may refuse to stop the other party from using the technology at issue on the ground that the other party's activities are not covered by our patents. Policing unauthorized use of our intellectual property is difficult, and we may not be able to prevent misappropriation of our proprietary rights, particularly in countries where the laws may not protect such rights as fully as in the United States. In addition, third parties may affirmatively challenge our rights to, or the scope or validity of, our patent rights.

The uncertainties associated with litigation could have a material adverse effect on our ability to raise the funds necessary to conduct clinical trials, continue our research programs, license necessary technology from third parties, or enter into development partnerships that would help us bring our drug candidates or other product candidates that we may identify to market. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions, or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our common stock.

We may become involved in disputes with our strategic partners over intellectual property ownership, and publications by our research collaborators and clinical investigators could impair our ability to obtain patent protection or protect our proprietary information, either of which would have a significant impact on our business.

Inventions discovered under our current or future strategic alliance agreements may become jointly owned by our strategic partners and us in some cases, and the exclusive property of one of us in other cases. Under some circumstances, it may be difficult to determine who owns a particular invention or whether it is jointly owned, and disputes could arise regarding ownership or use of those inventions. These disputes could be costly and time-consuming, and an unfavorable outcome could have a significant adverse effect on our business if we were not able to protect or license rights to these inventions. In addition, our research collaborators and clinical investigators generally have contractual rights to publish data arising from their work. Publications by our research collaborators and clinical investigators relating to our research and development programs, either with or without our consent, could benefit our current or potential competitors and may impair our ability to obtain patent protection or protect our proprietary information, which could significantly harm our business.

We may be subject to claims that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties or that we or our employees have wrongfully used or disclosed trade secrets of their former employers.

Many of our employees were previously employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although no legal proceedings against us are currently pending, we may be subject to claims that these employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. If we fail in defending these claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. A loss of key research personnel or their work product could hamper or prevent our ability to develop and commercialize certain potential drugs, which could significantly harm our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and distract management.

Financial Risks

We have a history of significant losses and may not achieve or sustain profitability and, as a result, you may lose part or all of your investment.

We have generally incurred operating losses in each year since our inception in 1997, due to costs incurred in connection with our research and development activities and general and administrative costs associated with our operations. Our drug candidates are all in early through late-stage clinical testing, and we must conduct significant additional clinical trials before we and our partners can seek the regulatory approvals necessary to begin commercial sales of our drugs. We expect to incur increasing losses for at least several more years, as we continue our research activities and conduct development of, and seek regulatory approvals for, our drug candidates, and commercialize any approved drugs. If our drug candidates fail or do not gain regulatory approval, or if our drugs do not achieve market acceptance, we will not be profitable. If we fail to become and remain profitable, or if we are unable to fund our continuing losses, you could lose part or all of your investment.

We will need substantial additional capital in the future to sufficiently fund and maintain our operations.

We have consumed substantial amounts of capital to date, and our operating expenditures will increase over the next several years as we expand our research and development activities and expand our organization to prepare for commercialization of any approved drug. We have funded our operations and capital expenditures with proceeds primarily from private and public sales of our equity securities, royalty monetization agreements, revenue interest agreements, strategic alliances, long-term debt, other financings, interest on investments and grants. We believe that our existing cash and cash equivalents, short-term investments and interest earned on investments should be sufficient to meet our projected operating requirements for at least the next 12 months. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with the development of our drug candidates and other research and development activities, including risks and uncertainties that could impact the rate of progress of our development activities, we are unable to estimate with certainty the amounts of capital outlays and operating expenditures associated with these activities.

For the foreseeable future, our operations will require significant additional funding, in large part due to our research and development expenses, the organizational scale up and associated expenditures with commercial readiness activities to launch approved drugs combined with the absence of any revenues from product sales. Until we can generate a sufficient amount of product revenue, we expect to raise future capital through strategic alliance and licensing arrangements, public or private equity offerings and debt financings. We do not currently have any commitments for future funding other than through loans under the RP Multi Tranche Loan Agreement with RPDF and reimbursements, milestone and royalty payments that we may receive under our agreements with Ji Xing. We may not receive any further funds under any of these agreements. Our ability to raise funds may be adversely impacted by worsening economic conditions and the recent disruptions to, and volatility in, the credit and financial markets in the U.S. and worldwide resulting from the effects of inflationary pressures, potential future bank failures, global geopolitical factors including war or other hostilities, or otherwise. As a result of these and other factors, we do not know whether additional financing will be available when needed, or that, if available, such financing would be on terms favorable to our stockholders or us, and if we cannot raise the funds we need to operate our business, we will need to delay or discontinue certain research and development activities, and our stock price may be negatively affected.

We have never generated, and may never generate, revenues from commercial sales of our drugs and we may not have drugs to commercialize for at least several years, if ever.

We currently have no drugs for sale and we cannot guarantee that we will ever develop or obtain approval to market any drugs. To receive marketing approval for any drug candidate, we must demonstrate that the drug candidate satisfies rigorous standards of safety and efficacy to the FDA in the United States and other regulatory authorities abroad. We and our partners will need to conduct significant research and preclinical and clinical testing before we or our partners can file applications with the FDA or other regulatory authorities for approval of any of our drug candidates. In addition, to compete effectively, our drugs must be easy to use, cost-effective, covered by insurance or government sponsored medical plans, and economical to manufacture on a commercial scale, compared to other therapies available for the treatment of the same conditions. We may not achieve any of these objectives. Currently, our late clinical-stage drug candidates include omecamtiv mecarbil for the potential treatment of heart failure, and aficamten for the potential treatment of HCM and potentially other indications. We cannot be certain that the clinical development of our current or any future drug candidates will be successful, that they will receive the regulatory approvals required to commercialize them, that they will ultimately be accepted by prescribers or reimbursed by insurers or that any of our other research programs will yield a drug candidate suitable for clinical testing or commercialization. For example, our NDA for omecamtiv mecarbil for the treatment of HFrEF resulted in a CRL notwithstanding the fact that GALACTIC-HF met its primary efficacy endpoint, and that the results from an additional clinical trial of omecamtiv mecarbil are required to establish substantial evidence of effectiveness for the treatment of HFrEF, with benefits that outweigh the risks. As the omecamtiv mecarbil NDA example illustrates, while we are planning to submit an NDA to FDA and an MAA to EMA for aficamten, such marketing applications may not be approved for filing or may not lead to any regulatory approvals for aficamten, or may result in a requirement to conduct additional clinical trials prior to any potential approvals, which would increase our development costs and delay or preclude any revenue from commercial sales of aficamten. Our commercial revenues, if any, will be derived from sales of drugs that may not be commercially marketed for several years, if at all. The development of any one or all of these drug candidates may be discontinued at any stage of our clinical trials programs and we may not generate revenue from any of these drug candidates.

Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and results of operations and impair our ability to satisfy our obligations under the 2026 Notes, the 2027 Notes, the RP Multi Tranche Loan Agreement and the RP OM Loan Agreement.

As of June 30, 2024 and December 31, 2023, we had $759.5 million and $617.5 million of debt recorded on the balance sheet comprised of the RP Multi Tranche Loan Agreement, the RP OM Loan Agreement, and the 2026 and 2027 Convertible Notes.

We may also incur additional indebtedness to meet future financing needs. Our indebtedness could have significant negative consequences for our security holders and our business, results of operations and financial condition by, among other things:

- increasing our vulnerability to adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes;
- limiting our flexibility to plan for, or react to, changes in our business;
- diluting the interests of our existing stockholders as a result of issuing shares of our common stock upon conversion of the Convertible Notes; and
- placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital.

Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under our indebtedness and our cash needs may increase in the future. In addition, any required repurchase of the Convertible Notes for cash as a result of a fundamental change would lower our current cash on hand such that we would not have those funds available for us in our business. Further any future indebtedness that we may incur may contain financial and other restrictive covenants that limit our ability to operate our business, raise capital or make payments under our other indebtedness. If we fail to comply with these covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that and our other indebtedness becoming immediately payable in full.

Covenants in the RP Multi Tranche Loan Agreement, the RP OM Loan Agreement, the RP CK-586 RPA, the RP Aficamten RPA, the RP OM RPA, and the indentures related to our Convertible Notes restrict our business and operations in many ways and if we do not effectively manage our covenants, our financial conditions and results of operations could be adversely affected. Our operations may not provide sufficient cash to meet our debt repayment obligations.

The RP Multi Tranche Loan Agreement, the RP OM Loan Agreement, the RP CK-586 RPA, the RP Aficamten RPA, the RP OM RPA, and the indentures related to the Convertible Notes require that we comply with certain covenants applicable to us, including among other things, covenants restricting dispositions, changes in business, management, ownership or business locations, mergers or acquisitions, indebtedness, encumbrances, distributions, investments, transactions with affiliates and subordinated debt, any of which could restrict our business and operations, particularly our ability to respond to changes in our business or to take specified actions to take advantage of certain business opportunities that may be presented to us. In addition, the RP CK-586 RPA, the RP Aficamten RPA and the RP OM RPA contain certain covenants applicable to us, including among other things, development and commercialization diligence obligations in connection to aficamten, omecamtiv mecarbil and CK-586 and reporting obligations, which could also restrict our business and operations, particularly in connection to our development and commercialization of aficamten, omecamtiv mecarbil and CK-586.

Our failure to comply with any of the covenants could result in a default under the RP Multi Tranche Loan Agreement, the RP OM Loan Agreement, the RP CK-586 RPA, the RP Aficamten RPA, the RP OM RPA, or the indentures related to the Convertible Notes, which could permit the counterparties to declare all or part of any outstanding borrowings or other payment obligations to be immediately due and payable and/or enforce any outstanding liens against our assets.

We have no rights to repurchase the revenue interests in omecamtiv mecarbil, aficamten or CK-586 (other than, in respect of CK-586 only, in connection with a change of control of Cytokinetics) sold to RPFT or RPI ICAV respectively, thereby limiting our ability to eliminate future applicability of the covenants contained in the RP CK-586 RPA, the RP OM RPA and the RP Aficamten RPA, and although we do have voluntary prepayment rights under the RP Multi Tranche Loan Agreement and the RP OM Loan Agreement, any voluntary prepayment rights under the RP Multi Tranche Loan Agreement will require that we pay RPDF 190% of the principal amount of amounts disbursed to us as tranche 1, tranche 4, tranche 5, tranche 6, and tranche 7 loans and 200% for tranche 2 and tranche 3 loans, thereby making it potentially disadvantageous to voluntarily prepay RPDF prior to the final maturity date applicable to loans outstanding under the RP Multi Tranche Loan Agreement.

In addition, certain provisions in the 2026 Notes, the 2027 Notes and the related indentures could make a third-party attempt to acquire us more difficult or expensive. For example, if a takeover constitutes a fundamental change under our indenture, then noteholders will have the right to require us to repurchase their notes for cash. In addition, if a takeover constitutes a make-whole fundamental change under our indenture, then we may be required to temporarily increase the conversion rate. In either case, and in other cases, our obligations under the Convertible Notes and the related Indentures could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management, including in a transaction that noteholders or holders of our common stock may view as favorable.

Finally, should we be unable to comply with our covenants or if we default on any portion of our outstanding borrowings under the RP Multi Tranche Loan Agreement or the RP OM Loan Agreement, in addition to its rights to accelerate and demand for immediate repayment of amounts outstanding under the RP Multi Tranche Loan Agreement, we would be liable for default interest at a rate of 4% over the prime rate.

We may not be entitled to obtain additional loan disbursements under the RP Multi Tranche Loan Agreement.

On January 7, 2022, we announced that we had entered into the RP Multi Tranche Loan Agreement with RPDF, such entity being affiliated with Royalty Pharma International plc. The RP Multi Tranche Loan Agreement makes available to us up to $525.0 million in loans ($75.0 million of which is no longer available to us as a result of conditions not having been satisfied), of which a $50.0 million loan was disbursed to us upon execution of the original RP Multi Tranche Loan Agreement and a $50.0 million loan was disbursed to us upon our entry into an amendment to the RP Multi Tranche Loan Agreement on May 22, 2024. With the positive results of SEQUOIA-HCM, we have satisfied the conditions related to tranche 4 of the RP Multi Tranche Loan Agreement and thus an additional $75 million in loans are currently available to us for disbursement. Tranche 5 of the RP Multi Tranche Loan Agreement would be available to us upon acceptance for filing by FDA of an NDA for aficamten. Tranche 7 of the RP Multi Tranche Loan Agreement would be available to us upon FDA approval of aficamten. Should we not satisfy such condition for tranche 5 by March 31, 2025 or tranche 7 by December 31, 2025, or in the event we fail to meet our obligations or default under the agreement, the actual amount of additional loan disbursements could be substantially less than the maximum amounts available thereunder. For example, as a result of FDA's CRL in response to our NDA for omecamtiv mecarbil, we have not satisfied the conditions for the availability of disbursement of the $50 million tranche 2 and $25 million tranche 3 term loans under the RP Multi Tranche Loan Agreement.

We are subject to counterparty risk under the RP Multi Tranche Loan Agreement

We are subject to counterparty risk in the event that RPDF defaults on its obligations under the RP Multi Tranche Loan Agreement. In such event, we have no recourse against Royalty Pharma International plc or any of its other affiliated or controlled entities, and in the event of an RPDF insolvency, we would have no rights to additional loan disbursements from RPDF.

Conversion of our outstanding Convertible Notes may result in the dilution of existing stockholders, create downward pressure on the price of our common stock, and restrict our ability to take advantage of future opportunities.

The Convertible Notes may be converted into cash and shares of our common stock (subject to our right or obligation to pay cash in lieu of all or a portion of such shares). If shares of our common stock are issued to the holders of the Convertible Notes upon conversion, there will be dilution to our stockholders' equity and the market price of our shares may decrease due to the additional selling pressure in the market. Any downward pressure on the price of our common stock caused by the sale or potential sale of shares issuable upon conversion of the Convertible Notes could also encourage short sales by third parties, creating additional selling pressure on our stock. The existence of the Convertible Notes and the obligations that we incurred by issuing them may restrict our ability to take advantage of certain future opportunities, such as engaging in future debt or equity financing activities.

We will depend on Ji Xing for the development and commercialization of aficamten and omecamtiv mecarbil in China and Taiwan.

Under the terms of the Ji Xing Agreements, Ji Xing will be responsible for the development and commercialization of aficamten and omecamtiv mecarbil in China and Taiwan. The timing and amount of any milestone and royalty payments we may receive under the Ji Xing Agreements will depend in part on the efforts and successful commercialization of aficamten and omecamtiv mecarbil by Ji Xing. We do not control the individual efforts of Ji Xing, and any failure by Ji Xing to devote sufficient time and effort to the development and commercialization of aficamten or omecamtiv mecarbil or to meet its obligations to us, including for future milestone and royalty payments; or to adequately deploy business continuity plans in the event of a crisis, or to satisfactorily resolve significant disagreements with us could each have an adverse impact on our financial results and operations. We will also depend on Ji Xing to comply with all applicable laws relative to the development and commercialization of aficamten and omecamtiv mecarbil in China and Taiwan. If Ji Xing were to violate, or was alleged to have violated, any laws or regulations during the performance of its obligations for us, it is possible that we could suffer financial and reputational harm or other negative outcomes, including possible legal consequences.

Any termination, breach or expiration of the Ji Xing Agreements could have a material adverse effect on our financial position by reducing or eliminating the potential for us to receive milestones and royalties. In such an event, we may be required to devote additional efforts and to incur additional costs associated with pursuing the development and commercialization of aficamten and omecamtiv mecarbil in China and Taiwan. Alternatively, we may attempt to identify and transact with a new sub-licensee, but there can be no assurance that we would be able to identify a suitable sub-licensee or transact on terms that are favorable to us.

Our ability to use net operating loss carryforwards and tax credit carryforwards to offset future taxable income may be subject to certain limitations, and ownership changes may limit our ability to use our net operating losses and tax credits in the future.

Our ability to use our federal and state NOLs to offset potential future taxable income and reduce related income taxes depends upon our generation of future taxable income. We cannot predict with certainty when, or whether, we will generate sufficient taxable income to use our NOLs.

Our federal NOLs generated in taxable years beginning prior to 2018 will continue to be governed by tax rules in effect prior to the Tax Act, with unused NOLs expiring 20 years after we report a tax loss. These NOLs could expire unused and be unavailable to offset future taxable income. We cannot predict if and to what extent various states will conform to the Tax Act, as modified by additional tax legislation enacted in 2020.

In addition, generally, if one or more stockholders or groups of stockholders who owns at least 5% of our stock increases its ownership by more than 50% over its lowest ownership percentage within a three-year testing period, an ownership change occurs (an "Ownership Change"). Our ability to utilize our NOLs and tax credit carryforwards to reduce taxes payable in a year we have taxable income may be limited if there has been an Ownership Change in our stock. Similar rules may apply under state tax laws. We may experience Ownership Changes in the future as a result of future stock sales or other changes in the ownership of our stock, some of which are beyond our control and, as a result, NOLs generated in taxable years beginning 2017 and before, may expire unused.

Any material limitation or expiration of our NOLs and tax credit carryforwards may harm our future net income by effectively increasing our future effective tax rate, which could result in a reduction in the market price of our common stock.

Comprehensive U.S. tax reform legislation could increase the tax burden on our orphan drug programs and adversely affect our business and financial condition.

In 2017, the U.S. government enacted the Tax Act that includes significant changes to the taxation of business entities, which was modified by additional federal tax legislation in 2020. The comprehensive tax legislation, among other things, reduces the orphan drug tax credit from 50% to 25% of qualifying expenditures. When and if we become profitable, this reduction in tax credits may result in an increased federal income tax burden on our orphan drug programs as it may cause us to pay federal income taxes earlier under the revised tax law than under the prior law and, despite being partially off-set by a reduction in the corporate tax rate from a top marginal rate of 35% to a flat rate of 21%, may increase our total federal tax liability attributable to such programs.

Notwithstanding the reduction in the corporate income tax rate, the overall impact of this comprehensive tax legislation resulted in an overall reduction in our deferred tax assets, and our business and financial condition could still be adversely affected as additional guidance and regulations are issued with respect to the original tax law change. In addition, it is uncertain if and to what extent various states will conform to this comprehensive tax legislation, and states may enact suspensions or limitations on the use of net operating losses and tax credits. The impact of the 2017 tax legislation on holders of our common stock is also uncertain and could be adverse.

We are obligated to maintain proper and effective internal control over financial reporting. In the future, we may not complete our execution of our internal control over financial reporting in a timely manner, or these internal controls may not be determined to be effective, which may result in material misstatements in our consolidated financial statements and may adversely affect investor confidence in our company and, as a result, the value of our common stock.

We are required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting.

Complying with Section 404 requires a rigorous compliance program as well as adequate time and resources. We may not be able to complete our internal control evaluation, testing and any required remediation in a timely fashion. Additionally, if we identify one or more material weaknesses in our internal control over financial reporting, we will not be able to assert that our internal controls are effective. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

If material weaknesses are identified in the future or we are not able to comply with the requirements of Section 404 in a timely manner, our reported financial results could be materially misstated, we would receive an adverse opinion regarding our internal controls over financial reporting from our independent registered public accounting firm, and we could be subject to investigations or sanctions by regulatory authorities, which would require additional financial and management resources, and the value of our common stock could decline. To the extent we identify future weaknesses or deficiencies, there could be material misstatements in our consolidated financial statements and we could fail to meet our financial reporting obligations. As a result, our ability to obtain additional financing, or obtain additional financing on favorable terms, could be materially and adversely affected which, in turn, could materially and adversely affect our business, our financial condition and the value of our common stock. If we are unable to assert that our internal control over financial reporting is effective in the future, or if our independent registered public accounting firm is unable to express an opinion or expresses an adverse opinion on the effectiveness of our internal controls in the future, investor confidence in the accuracy and completeness of our financial reports could be further eroded, which would have a material adverse effect on the price of our common stock.

Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the U.S.

We prepare our financial statements in conformity with accounting principles generally accepted in the U.S. These accounting principles are subject to interpretation by the FASB and the SEC. A change in these policies or interpretations could have a significant effect on our reported financial results, may retroactively affect previously reported results, could cause unexpected financial reporting fluctuations, and may require us to make costly changes to our operational processes and accounting systems.

Legal and Compliance Risks

Recently enacted laws, including the Inflation Reduction Act, or IRA, and potential future legislation may increase the difficulty and cost for us to obtain regulatory approval of, and to commercialize our products and to obtain Medicare coverage by 3rd party plans and affect the prices we may obtain upon commercialization.

The regulations that govern, among other things, regulatory approvals, coverage, pricing and reimbursement for new drug products vary widely from country to country. In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay regulatory approval of our product candidates, restrict or regulate post-approval activities and affect our ability to successfully sell any product candidates for which we obtain regulatory approval. In particular, in March 2010, the ACA was enacted, which substantially changed the way health care is financed by both governmental and private insurers, and continues to significantly impacts the U.S. pharmaceutical industry. The ACA and its implementing regulations, among other things, addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for certain drugs and biologics, including our product candidates that are inhaled, infused, instilled, implanted or injected, increased the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program, extended the Medicaid Drug Rebate Program to utilization of prescriptions of individuals enrolled in Medicaid managed care organizations, subjected manufacturers to new annual fees and taxes for certain branded prescription drugs, provided incentives to programs that increase the federal government's comparative effectiveness research and established a new Medicare Part D coverage gap discount program.

Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. In August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by the U.S. Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers of 2% per fiscal year, which went into effect in April 2013, and, due to subsequent legislative amendments, will remain in effect until 2032 unless additional Congressional action is taken. In January 2013, the American Taxpayer Relief Act of 2012 was enacted which, among other things, further reduced Medicare payments to several providers, including hospitals and outpatient clinics, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

Since its enactment, there have been executive, judicial and Congressional challenges to numerous elements of the ACA, as well as efforts to repeal or replace certain aspects of the ACA. For example, on June 17, 2021, the U.S. Supreme Court dismissed a challenge on procedural grounds that argued the ACA is unconstitutional in its entirety because the "individual mandate" was repealed by Congress. It is possible that the ACA will be subject to executive, judicial, and Congressional challenges in the future. It is unclear how any such challenges will impact the ACA and our business. Policy changes, including potential modification or repeal of all or parts of the ACA or the implementation of new health care legislation, could result in significant changes to the health care system which may adversely affect our business in unpredictable ways.

In August 2022, the Inflation Reduction Act, or IRA, was signed into law, which, among other things, includes prescription drug provisions that may impact product pricing including the potential for net price reductions and/or the ability to increase price beyond the level of inflation over the lifecycle of our products, and/or may increase our rebate obligation to Medicare. Provisions include a requirement that the HHS negotiate drug prices for single-source brand-name drugs and biologics that are among the 50 drugs with the highest total Medicare Part D spending. The law establishes a maximum fair price, outlines the process by which the Secretary of HHS will identify drugs for negotiations, and establishes non-compliance penalties for manufacturers. The IRA implements inflation rebates in Medicare when a drug's Average Manufacturer Price (AMP, in Part D) or Average Sale Price (ASP, in Part B) rises faster than the inflation index (CPI-U). In addition, the Part D drug benefit caps beneficiary spending at $2,000, eliminates the coverage gap for patients, and modifies, beginning in 2025, liabilities for drug manufacturers by replacing the 70% discount in the Coverage gap with a 10% discount in the Initial Coverage phase and a 20% discount in the Catastrophic phase. The IRA may also impact our ability to achieve broad coverage of our products by Medicare Plans as the IRA reduces the government's and beneficiaries' liability for drug spending while shifting costs to health plans and drug manufacturers. The IRA permits HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. These provisions take effect progressively starting in fiscal year 2023. On August 29, 2023, HHS announced the list of the first ten drugs that will be subject to price negotiations, although the Medicare drug price negotiation program is currently subject to legal challenges.

There have been, and likely will continue to be, legislative and regulatory proposals at the foreign, federal and state levels directed at broadening the availability of healthcare and containing or lowering the cost of healthcare. However, we cannot predict the timing or substance of proposals that may be adopted in the future, particularly in light of the difficulty of advancing legislation through Congress. The continuing efforts of governments, insurance companies, managed care organizations and other payors of healthcare services to contain or reduce costs of healthcare, including by imposing price controls, may adversely affect the demand and/or potential sales for our product candidates for which we obtain regulatory approval and our ability to set a price that we believe is fair for our products. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors.

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether the FDA or foreign regulations, guidance or interpretations will be changed, or what the impact of these changes on the regulatory approvals of our product candidates, if any, may be. In the United States, the E.U. and other potentially significant markets for our product candidates, government authorities and third-party payors are increasingly attempting to limit or regulate the price of medical products and services, particularly for new and innovative products and therapies, which has resulted in lower average selling prices. For example, in the United States, there have been several recent Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, to encourage importation from other countries and bulk purchasing. For example, on January 5, 2024, the FDA approved Florida's Section 804 Importation Program (SIP) proposal to import certain drugs from Canada for specific state healthcare programs. It is unclear how this program will be implemented, including which drugs will be chosen, and whether it will be subject to legal challenges in the United States or Canada. Other states have also submitted SIP proposals that are pending review by the FDA. Any such approved importation plans, when implemented, may result in lower drug prices for products covered by those programs In addition to the enactment of the IRA, in response to the Biden administration's October 2022 executive order, on February 14, 2023, HHS released a report outlining three new models for testing by the Centers for Medicare & Medicaid Services Innovation Center which will be evaluated on their ability to lower the cost of drugs, promote accessibility, and improve quality of care. It is unclear whether the models will be utilized in any health reform measures in the future. Further, on December 7, 2023, the Biden administration announced an initiative to control the price of prescription drugs through the use of march-in rights under the Bayh-Dole Act. On December 8, 2023, the National Institute of Standards and Technology published for comment a Draft Interagency Guidance Framework for Considering the Exercise of March-In Rights which for the first time includes the price of a product as one factor an agency can use when deciding to exercise march-in rights. While march-in rights have not previously been exercised, it is uncertain if that will continue under the new framework. Furthermore, the increased emphasis on managed healthcare in the United States and on country and regional pricing and reimbursement controls in the E.U. will put additional pressure on product pricing, reimbursement and usage, which may adversely affect our future product sales. These pressures can arise from rules and practices of managed care groups, judicial decisions and governmental laws and regulations related to Medicare, Medicaid and healthcare reform, pharmaceutical reimbursement policies and pricing in general.

We cannot predict the likelihood, nature, or extent of health reform initiatives that may arise from future legislation or administrative action.

Our relationships with customers, healthcare providers, clinical trial sites and professionals and third-party payors will be subject to applicable anti-kickback, fraud and abuse and other laws and regulations. If we fail to comply with federal, state and foreign laws and regulations, including healthcare, privacy and data security laws and regulations, we could face criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, including physicians and third-party payors play a primary role in the recommendation and prescription of any drug candidates for which we may obtain marketing approval. Our arrangements with customers, healthcare providers and third-party payors may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we develop, and may market, sell and distribute, our products for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations, include, but are not limited to, the following:

- The federal healthcare anti-kickback statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under federally funded healthcare programs such as Medicare and Medicaid. This statute has been broadly interpreted to apply to manufacturer arrangements with prescribers, purchasers and formulary managers, among others. Several other countries, including the United Kingdom, have enacted similar anti-kickback, fraud and abuse, and healthcare laws and regulations.
- The federal false claims laws, including the False Claims Act, which can be enforced through whistleblower or qui tam actions, imposes penalties against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. The government and qui tam relators have brought False Claims Act actions against pharmaceutical companies on the theory that their practices have caused false claims to be submitted to the government.
- HIPAA imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program. HIPAA also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information. HIPAA also imposes criminal liability for knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services.
- In addition, HIPAA, as amended by Health Information Technology for Economic and Clinical Health Act of 2009 (“HITECH”), imposes certain requirements on covered entities, which include certain healthcare providers, health plans and healthcare clearinghouses, and their business associates and covered subcontractors that receive or obtain protected health information in connection with providing a service on behalf of a covered entity relating to the privacy, security and transmission of individually identifiable health information.
- The federal Physician Payments Sunshine Act requires manufacturers of drugs, devices, biologics and medical supplies to report to the HHS information related to payments and other transfers of value made to or at the request of physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), other health care professionals (such as physician assistants and nurse practitioners), and teaching hospitals, as well as information regarding ownership and investment interests held by physicians and their immediate family members. Payments made to physicians and research institutions for clinical trials are included within the ambit of this law.
- Analogous state laws and regulations, such as state anti-kickback and false claims laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers, and some state laws require pharmaceutical companies to comply with the pharmaceutical industry’s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug manufacturers to report information related to payments to physicians and other health care providers or marketing expenditures and state and local laws that require the registration of sales representatives.

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

We may be subject to costly product liability or other liability claims and may not be able to obtain adequate insurance.

The use of our drug candidates in clinical trials may result in adverse events. We cannot predict all the possible harms or adverse events that may result from our clinical trials. We currently maintain limited product liability insurance. We may not have sufficient resources to pay for any liabilities resulting from a personal injury or other claim excluded from, or beyond the limit of, our insurance coverage. Our insurance does not cover third parties' negligence or malpractice, and our clinical investigators and sites may have inadequate insurance or none at all. In addition, in order to conduct clinical trials or otherwise carry out our business, we may have to contractually assume liabilities for which we may not be insured. If we are unable to look to our own insurance or a third party's insurance to pay claims against us, we may have to pay any arising costs and damages ourselves, which may be substantial.

In addition, if we commercially launch drugs based on our drug candidates, we will face even greater exposure to product liability claims. This risk exists even with respect to those drugs that are approved for commercial sale by the FDA and foreign regulatory agencies and manufactured in licensed and regulated facilities. We intend to secure additional limited product liability insurance coverage for drugs that we commercialize, but may not be able to obtain such insurance on acceptable terms with adequate coverage, or at reasonable costs. Even if we are ultimately successful in product liability litigation, the litigation would consume substantial amounts of our financial and managerial resources and may create adverse publicity, all of which would impair our ability to generate sales of the affected product and our other potential drugs. Moreover, product recalls may be issued at our discretion or at the direction of the FDA and foreign regulatory agencies, other governmental agencies or companies having regulatory control for drug sales. Product recalls are generally expensive and often have an adverse effect on the reputation of the drugs being recalled and of the drug's developer or manufacturer.

We may be required to indemnify third parties against damages and other liabilities arising out of our development, commercialization and other business activities, which could be costly and time-consuming and distract management. If third parties that have agreed to indemnify us against damages and other liabilities arising from their activities do not fulfill their obligations, then we may be held responsible for those damages and other liabilities.

European data collection is governed by restrictive regulations governing the collection, use, processing and cross-border transfer of personal information.

We may collect, process, use or transfer personal information from individuals located in the E.U. in connection with our business, including in connection with conducting clinical trials in the E.U. Additionally, if any of our product candidates are approved, we may seek to commercialize those products in the E.U. The collection and use of personal health data in the E.U. are governed by the provisions of the GDPR. This legislation imposes requirements relating to having legal bases for processing personal information relating to identifiable individuals and transferring such information outside of the EEA, including to the U.S., providing details to those individuals regarding the processing of their personal information, keeping personal information secure, having data processing agreements with third parties who process personal information, responding to individuals' requests to exercise their rights in respect of their personal information, reporting security breaches involving personal data to the competent national data protection authority and affected individuals, appointing data protection officers, conducting data protection impact assessments and record-keeping. The GDPR imposes additional responsibilities and liabilities in relation to personal data that we process and we may be required to put in place additional mechanisms ensuring compliance with the new data protection rules. Failure to comply with the requirements of the GDPR and related national data protection laws of the member states of the E.U. may result in substantial fines, other administrative penalties and civil claims being brought against us, which could have a material adverse effect on our business, financial condition and results of operations.

European data protection laws, including the GDPR, generally restrict the transfer of personal information from Europe, including the EEA, United Kingdom and Switzerland, to the United States and most other countries unless the parties to the transfer have implemented specific safeguards to protect the transferred personal information. One of the primary safeguards allowing United States companies to import personal information from Europe has been certification to the EU-U.S. Privacy Shield and Swiss-U.S. Privacy Shield frameworks administered by the United States Department of Commerce. However, the Court of Justice of the EU recently invalidated the EU-U.S. Privacy Shield. The same decision also raised questions about whether one of the primary alternatives to the EU-U.S. Privacy Shield, namely, the European Commission's Standard Contractual Clauses, can lawfully be used for personal information transfers from Europe to the United States or most other countries. At present, there are few, if any, viable alternatives to the EU-U.S. Privacy Shield and the Standard Contractual Clauses. Although we rely primarily on individuals' explicit consent to transfer their personal information from Europe to the United States and other countries, in certain cases we have relied or may rely on the Standard Contractual Clauses. Authorities in the United Kingdom and Switzerland, whose data protection laws are similar to those of the EU, may similarly invalidate use of the EU-U.S. Privacy Shield and Swiss-U.S. Privacy Shield, respectively, as mechanisms for lawful personal information transfers from those countries to the United States. As such, if we are unable to rely on explicit consent to transfer individuals' personal information from Europe, which can be revoked, or implement another valid compliance solution, we will face increased exposure to substantial fines under European data protection laws as well as injunctions against processing personal information from Europe. Inability to import personal information from the EEA, United Kingdom or Switzerland may also restrict our clinical trial activities in Europe; limit our ability to collaborate with CROs, service providers, contractors and other companies subject to European data protection laws; and require us to increase our data processing capabilities in Europe at significant expense. Additionally, other countries outside of Europe have enacted or are considering enacting similar cross-border data transfer restrictions and laws requiring local data residency, which could increase the cost and complexity of delivering our services and operating our business.

Responding to any claims relating to improper handling, storage or disposal of the hazardous chemicals and radioactive and biological materials we use in our business could be time-consuming and costly.

Our research and development processes involve the controlled use of hazardous materials, including chemicals and radioactive and biological materials. Our operations produce hazardous waste products. We cannot eliminate the risk of accidental contamination or discharge and any resultant injury from those materials. Federal, state and local laws and regulations govern the use, manufacture, storage, handling and disposal of hazardous materials. We may be sued for any injury or contamination that results from our or third parties' use of these materials. Compliance with environmental laws and regulations is expensive, and current or future environmental regulations may impair our research, development and production activities.

General Risk Factors

Our failure to attract and retain skilled personnel could impair our drug development, commercialization and financial reporting activities.

Our business depends on the performance of our senior management and key scientific, commercial and technical personnel. The loss of the services of any member of our senior management or key scientific, technical, commercial or financial reporting staff may significantly delay or prevent the achievement of drug development and other business objectives by diverting management's attention to transition matters and identifying suitable replacements. We also rely on consultants and advisors to assist us in formulating our research and development strategy. All of our consultants and advisors are either self-employed or employed by other organizations, and they may have conflicts of interest or other commitments, such as consulting or advisory contracts with other organizations, that may affect their ability to contribute to us. In addition, if and as our business grows, we will need to recruit additional executive management and scientific, technical and financial reporting personnel. There is intense competition for skilled executives and employees with relevant scientific and technical expertise, and this competition is likely to continue. Our inability to attract and retain sufficient scientific, technical, commercial and managerial personnel could limit or delay our product development or commercialization activities, which would adversely affect the development of our drug candidates and commercialization of our potential drugs and growth of our business.

Our internal computer systems, or those of our CROs, CMOs, supply chain partners, collaboration partners or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our drug development programs.

Despite the implementation of security measures, our internal computer systems and those of our third-party CROs, CMOs, supply chain partners, collaboration partners and other contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our drug development programs. For example, the loss of clinical study data from completed or ongoing clinical studies for any of our drug candidates could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability, our operations could be compromised and the further development of our product candidates could be delayed.

Significant disruptions of information technology systems or breaches of data security could adversely affect our business.

Our business is increasingly dependent on complex and interdependent information technology systems, including internet-based systems, databases and programs, to support our business processes as well as internal and external communications. As use of information technology systems has increased, deliberate attacks and attempts to gain unauthorized access to computer systems and networks have increased in frequency and sophistication. Our information technology, systems and networks are potentially vulnerable to breakdown, malicious intrusion and computer viruses which may result in the impairment of production and key business processes or loss of data or information. We are also potentially vulnerable to data security breaches—whether by employees or others—which may expose sensitive data to unauthorized persons. We have in the past and may in the future be subject to security breaches. For example, in February 2018, we discovered that our e-mail server suffered unauthorized intrusions in which proprietary business information was accessed. In addition, in December 2019, one of our employee's email account suffered an unauthorized intrusion, leading to the submission and inadvertent payment of a fraudulent invoice in the amount of approximately one hundred thousand dollars. In December 2019, our IT systems were exposed to a ransomware attack, which partially impaired certain IT systems for a short period of time. Although we do not believe that we have experienced any material losses related to security breaches, including in three recent email "phishing" incidents or the ransomware attack, there can be no assurance that we will not suffer such losses in the future. Breaches and other inappropriate access can be difficult to detect and any delay in identifying them could increase their harm. While we have implemented measures to protect our data security and information technology systems, such measures may not prevent these events. Any such breaches of security and inappropriate access could disrupt our operations, harm our reputation or otherwise have a material adverse effect on our business, financial condition and results of operations.

Our facilities in California are located near an earthquake fault, and an earthquake or other types of natural disasters, catastrophic events or resource shortages could disrupt our operations and adversely affect our results.

All our facilities and our important documents and records, such as hard and electronic copies of our laboratory books and records for our drug candidates and compounds and our electronic business records, are located in our corporate headquarters at a single location in South San Francisco, California near active earthquake zones. If a natural disaster, such as an earthquake, fire or flood, a catastrophic event such as a disease pandemic or terrorist attack, or a localized extended outage of critical utilities or transportation systems occurs, we could experience a significant business interruption. Our partners and other third parties on which we rely may also be subject to business interruptions from such events. In addition, California from time to time has experienced shortages of water, electric power and natural gas. Future shortages and conservation measures could disrupt our operations and cause expense, thus adversely affecting our business and financial results.

We expect that our stock price will fluctuate significantly, and you may not be able to resell your shares at or above your investment price.

The stock market, particularly in recent years, has experienced significant volatility, particularly with respect to pharmaceutical, biotechnology and other life sciences company stocks, which often does not relate to the operating performance of the companies represented by the stock. For example, in 2023, the closing price of our common stock on the Nasdaq Global Select Market ranged from $25.98 to $87.58. Factors that have caused and could cause in the future volatility in the market price of our common stock include, but are not limited to:

- announcements concerning any of the clinical trials for our drug candidates (including, but not limited to, the timing of initiation or completion of such trials and the results of such trials, and delays or discontinuations of such trials, including delays resulting from slower than expected or suspended patient enrollment or discontinuations resulting from a failure to meet pre-defined clinical end points);
- announcements concerning our strategic alliances;
- failure or delays in entering additional drug candidates into clinical trials;

- failure or discontinuation of any of our research programs;
- issuance of new or changed securities analysts' reports or recommendations;
- failure or delay in establishing new strategic alliances, or the terms of those alliances;
- market conditions in the pharmaceutical, biotechnology and other healthcare-related sectors;
- actual or anticipated fluctuations in our quarterly financial and operating results;
- developments or disputes concerning our intellectual property or other proprietary rights;
- introduction of technological innovations or new products by us or our competitors;
- issues in manufacturing, packaging, labeling and distribution of our drug candidates or drugs;
- market acceptance of our drugs;
- third-party healthcare coverage and reimbursement policies;
- FDA or other U.S. or foreign regulatory actions affecting us or our industry;
- litigation or public concern about the safety of our drug candidates or drugs;
- additions or departures of key personnel;
- substantial sales of our common stock by our existing stockholders, whether or not related to our performance;
- automated trading activity by algorithmic and high-frequency trading programs;
- volatility in the stock prices of other companies in our industry or in the stock market generally; and
- other factors described in this "Risk Factors" section.

These and other external factors have caused and may cause the market price and demand for our common stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. In addition, when the market price of a stock has been volatile, holders of that stock have instituted securities class action litigation against the company that issued the stock. If any of our stockholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert our management's time and attention.

If securities or industry analysts publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who covers us downgrades our stock or publishes inaccurate or unfavorable research about our business, our stock price may decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our stock could decrease, which might cause our stock price and trading volume to decline.

Regardless of accuracy, unfavorable interpretations of our financial information and other public disclosures could have a negative impact on our stock price. If our financial performance fails to meet analyst estimates, for any of the reasons discussed above or otherwise, or one or more of the analysts who cover us downgrade our common stock or change their opinion of our common stock, our stock price would likely decline.

We have never paid dividends on our capital stock, and we do not anticipate paying any cash dividends in the foreseeable future.

We have paid no cash dividends on any of our classes of capital stock to date and we currently intend to retain our future earnings, if any, to fund the development and growth of our businesses. In addition, the terms of existing or any future debts may preclude us from paying these dividends.

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

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may discourage, delay or prevent a merger, acquisition or other change in control of us that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions also could limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Among other things, these provisions:

- establish a classified board of directors with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors;
- eliminate cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- establish the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- prohibit removal of directors without cause;
- authorize our board of directors to issue preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- authorize our board of directors to alter our bylaws without obtaining stockholder approval;
- require the approval of at least two-thirds of the shares entitled to vote at an election of directors to adopt, amend or repeal our bylaws or repeal the provisions of our amended and restated certificate of incorporation regarding the election and removal of directors;
- prohibit stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- require that a special meeting of stockholders be called only by the chairman of the board of directors, the chief executive officer, the president or the board of directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and
- provide for advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

We are also subject to the anti-takeover provisions contained in Section 203 of the Delaware General Corporation Law. Under Section 203, a corporation may not, in general, engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other exceptions, the board of directors has approved the transaction. These provisions could discourage potential acquisition proposals and could delay or prevent a change in control transaction. They could also have the effect of discouraging others from making tender offers for our common stock, including transactions that may be in your best interests. These provisions may also prevent changes in our management or limit the price that investors are willing to pay for our stock.

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

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

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

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

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

(c) In this Item 5(c) of this quarterly report on Form 10-Q, the terms “officers”, “rule 10b5-1 trading arrangements” and “non-Rule 10b5-1 trading arrangements” have the meanings ascribed to them in Item 408 of Regulation S-K.

None of our directors or officers entered into or modified any Rule 10b5-1 trading arrangements during the second quarter of 2024.

Certain of our officers have made elections to participate in, and are participating in, our employee stock purchase plan, which may be designed to satisfy the affirmative defense conditions of Rule 10b5-1 under the Exchange Act or may constitute non-Rule 10b5–1 trading arrangements. In addition, certain of our directors have made elections to participate in, and are participating in, our director equity in lieu of cash retainer option program (as described in the “Director Compensation” section of our Proxy Statement for our 2024 Annual Meeting), which may be designed to satisfy the affirmative defense conditions of Rule 10b5-1 under the Exchange Act or may constitute non-Rule 10b5–1 trading arrangements.

ITEM 6. EXHIBITS

Exhibit No.		Incorporated by Reference				Filed Herewith
		Form	File No.	Filing Date	Exh. No.	
3.1	Amended and Restated Certificate of Incorporation	S-3	333-174869	June 13, 2011	3.1	
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation	10-Q	000-50633	August 4, 2011	3.2	
3.3	Certificate of Amendment of Amended and Restated Certificate of Incorporation	8-K	000-50633	June 25, 2013	5.1	
3.4	Certificate of Amendment of Amended and Restated Certificate of Incorporation	8-K	000-50633	May 20, 2016	3.1	
3.5	Certificate of Amendment of Amended and Restated Certificate of Incorporation	10-Q	000-50633	August 3, 2023	3.5	
3.6	Amended and Restated Bylaws	8-K	000-50633	February 17, 2023	3.1	
4.1	Specimen Common Stock Certificate	10-Q	000-50633	May 9, 2007	4.1	
4.2	Form of Warrant Issuable to Oxford Finance LLC pursuant to that certain Loan and Security Agreement, dated as of May 17, 2019, by and among the Company, Oxford Finance LLC and Silicon Valley Bank	10-Q	000-50633	August 9, 2019	4.2	
4.3	Base Indenture, dated November 13, 2019, between the Company and U.S. Bank National Association, as Trustee	8-K	000-50633	November 13, 2019	4.1	
4.4	First Supplemental Indenture, dated November 13, 2019, between the Company and U.S. Bank National Association, as Trustee (including the form of 4.00% Convertible Senior Notes due 2026)	8-K	000-50633	November 13, 2019	4.2	
4.5	Indenture, dated July 6, 2022, between the Company and U.S. Bank Trust Company, National Association, as Trustee (including the form of 3.50% Convertible Senior Notes due 2027)	8-K	000-50633	July 6, 2022	4.1	
4.6	Certificate of Designation	8-K	000-50633	April 18, 2011	4.5	
4.7	Certificate of Designation	8-K	000-50633	June 30, 2012	4.1	
4.8	Certificate of Change of Registered Agent	10-K	000-50633	March 1, 2023	4.9	
10.1+	Employment Offer Letter between Cytokinetics, Incorporated and Sung H. Lee					X
10.2+	Cytokinetics, Incorporated Amended and Restated 2015 Employee Stock Purchase Plan	8-K	000-50633	May 17, 2024	10.1	
10.3#	Third Amendment, dated May 22, 2024, to Development Funding Loan Agreement, dated January 7, 2022, by and among Royalty Pharma Development Funding, LLC and the Company					X
10.4#	Amendment No. 1, dated May 22, 2024, to Revenue Participation Right Purchase Agreement, dated January 7, 2022, by and between Royalty Pharma Investments 2019 ICAV and the Company					X
10.5#	2024 Development Funding Loan Agreement, dated May 22, 2024, by and among Royalty Pharma Development Funding, LLC and the Company					X

10.6#	CK-586 Revenue Participation Right Purchase Agreement, dated May 22, 2024, by and between Royalty Pharma Investments 2019 ICAV and the Company	X
10.7#	Common Stock Option and Purchase Agreement, dated May 22, 2024, by and between Royalty Pharma Investments 2019 ICAV and the Company	X
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended	X
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended	X
32.1	Certifications of the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002[(2)]	X
101.INS	Inline XBRL Instance Document (the Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)	X
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Document	X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	X

Portions of this Exhibit have been omitted because they are immaterial and are of the type of information Cytokinetics treats as private or confidential.

+ Management contract or compensatory plan or arrangement.

(1) 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 the Registrant 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.

SIGNATURES

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

Dated: August 9, 2024

CYTOKINETICS, INCORPORATED
(Registrant)

/s/ ROBERT I. BLUM

Robert I. Blum
President and Chief Executive Officer
(Principal Executive Officer)

/s/ SUNG H. LEE

Sung H. Lee
Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

March 28, 2024

Sung H. Lee
2121 Webster St. #509
San Francisco, CA 94115

Dear Sung,

I am pleased to offer you a position with Cytokinetics, Inc. (the "Company"), as EVP, Chief Financial Officer, in the Accounting & Finance Department. In this role, you will report directly to Robert Blum, Chief Executive Officer. This offer is contingent, however, on the items listed on the second page of this letter.

The information below outlines important details about your offer:

- **Base salary:** You will receive a starting annual salary of $550,000 which will be paid semi-monthly in accordance with the Company's normal payroll procedures. As an exempt employee, you are not eligible for overtime pay.

- **Bonus plan:** You may be eligible for a prorated discretionary bonus for the 2024 calendar year; eligibility requires a minimum of three (3) months of employment in the calendar year. A bonus under the plan is discretionary: it is not guaranteed compensation and is based on achievement of Corporate Goals, Individual Goals, and is otherwise within the discretion of our Board of Directors. Your target bonus, if awarded is 45% of your base salary; 75% of which is based on Corporate Goal achievement and 25% based on individual goals that we will set in your first months of employment.

- **Annual performance:** Individual performance is reviewed annually through a Company-wide focal review process. Your first focal performance review will take place during the first quarter of 2025. At that time, you and your manager will review your performance against objectives. While salary increases are not guaranteed in connection with the performance evaluations, salary decisions may be based on the effectiveness of your performance.

- **Long-term incentive:** As an inducement material to your entering into employment with the Company, you will receive an initial equity award consisting of:

  (a) such number of restricted stock units equal to a target grant date value of $1,682,500 (number of RSUs based on the closing stock price on the date of the grant and vesting with 40% vesting the first year, 40% the second year, and 20% the third year of the anniversary of the grant date); and

(b) such number of stock options equal to a grant date Black-Scholes value of $1,682,500 (25% vesting on the first anniversary of the grant date with the remaining 75% vesting monthly in equal amounts over the remaining 36 months, subject to your continuous service with the Company on each such vesting date). Stock options are granted with an exercise price equal to the closing stock price on the date of the grant. Black-Scholes valuation is not reflective of the market value of stock options on the date of exercise of a stock option.

(c) Such number of performance stock units equal to a grant date value of $1,670,000 (such amount representing 200% of the target grant award and representing the maximum grant award). The number of PSUs based on the closing stock price on the date of the grant. PSUs are subject to the terms and conditions of the Performance Stock Unit and Award Agreement upon the certification by the Compensation & Talent Committee ("C&TC") of the satisfaction of certain stipulated milestones. Upon certification of satisfaction of one or more of the milestones by the C&TC, portions of these PSUs will be deemed earned, with 50% of earned PSUs vesting at the time of certification by the C&TC and 50% of the earned PSUs vesting on the one-year anniversary of such certification, in each case provided by you remain a Cytokinetics employee. Please refer to the grant package for PSU milestone terms and conditions.

This equity grant shall be subject to the terms and conditions of the 2004 EIP Option Agreement, 2004 Equity Incentive Plan – Amended May 2015, and the 2004 EIP Prospectus – Amended May 2015.

- **Sign-on Bonus:** You will receive a one-time sign-on bonus of $80,000 (gross) which you will receive during your first payroll cycle.

REPAYMENT CLAUSE FOR SIGN-ON BONUSES:

If you voluntarily resign or are terminated for cause within twelve (12) months of a sign-on bonus payment date, you agree to repay Cytokinetics or any successor or affiliate thereof, 100% of that bonus within thirty (30) days of your last day of employment.

- **Benefits program:** You are eligible to receive a competitive employee benefits package. Please refer to the 2024 Benefits Guide.

The Company is excited about your joining and looks forward to a beneficial relationship. The following are conditions of this contingent employment offer:

- Cytokinetics conducts reference checks and background checks to verify former employment, degrees, criminal records and OIG/SAM/FDA exclusion registries where appropriate. Your employment offer is contingent upon successful verification and completion of these reference and background checks.
- Receipt of signed Proprietary Information and Inventions Assignment Agreement
- Receipt of signed Arbitration Agreement
- Receipt of signed Insider Trading Compliance Program Letter
- Receipt of signed Code of Ethics and Business Conduct Policy acknowledgement form
- For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your date of hire, or our employment offer to you may be rescinded and the employment relationship terminated.
- You will be specifically required to sign an acknowledgment that you have read and understand the Company's rules of conduct which are included in the Employee Handbook, which the Company will provide to you on your first day of employment.

If you have not already done so, you must disclose to the Company any and all agreements relating to your prior employment that may affect your eligibility to be employed by the Company or limit the manner in which you may be employed. It is the Company's understanding that any prior employment agreements will not prevent you from performing the duties of your position and you represent that such is the case. Moreover, you agree that, during the term of your employment with the Company, you will not engage in any other employment, occupation, consulting or other business activity directly related to the business in which the Company is now involved or becomes involved during the term of your employment, nor will you engage in any other activities that conflict with your obligations to the Company. Similarly, you agree not to bring any third party confidential information to the Company, including that of your former employer, and that in performing your duties for the Company you will not in any way utilize any such information.

Employment with the Company is for no specified period and constitutes at-will employment. As a result, you are free to resign at any time, for any reason or for no reason. Similarly, the Company is free to conclude its employment relationship with you at any time, with or without cause, and with or without notice. We request that, in the event of resignation, you give the Company at least two weeks' notice.

To confirm your acceptance of the Company's offer, please sign and date this letter in the space provided below. The parties agree that execution of this offer letter by electronic signature and/or by exchanging PDF signatures shall have the same legal force and effect as the exchange of original signatures and will constitute a properly executed, delivered and binding agreement, and that in any proceeding arising under or relating to this offer letter, each party hereby waives any right to raise any defense or waiver based upon execution of this offer letter by means of such electronic signatures or maintenance of the executed offer letter electronically.

Your first day of employment will be May 8, 2024 or a mutually agreed upon date, subject to the contingencies described above. This letter, along with any agreements relating to proprietary rights or to arbitration between you and the Company, set forth the terms of your employment with the Company and supersede any prior representations or agreements, whether written or oral. This letter, including, but not limited to, it's at-will employment provision, may not be modified or amended except by a written agreement signed by the Company CEO and you. To the extent any disputes over this letter arise, it shall be governed, construed and interpreted in accordance with the laws of the jurisdiction in which you are envisaged to generally perform your duties as an employee. This offer of employment will expire if it is not signed and returned by April 25, 2024.

Sung, we are very excited about your joining Cytokinetics. Your contributions to our business progress and our growth will add value to the organization and will be helpful to our building a very successful company. We look forward to your favorable reply and to working with you at Cytokinetics.

Sincerely,

/s/ YulyMae DiNapoli_____
YulyMae DiNapoli
VP, Human Resources

Agreed to and accepted:

/s/ Sun H. Lee_____
Sung H. Lee
April 23, 2024

Exhibit 10.3

[*] – CERTAIN INFORMATION IN THIS DOCUMENT HAS BEEN EXCLUDED PURSUANT TO REGULATION S-K, ITEM 601(B)(10). SUCH EXCLUDED INFORMATION IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

THIRD AMENDMENT AND CONSENT

This THIRD AMENDMENT AND CONSENT (this "**Third Amendment**"), effective as of May 22, 2024 (the "**Third Amendment Effective Date**"), is executed by and between ROYALTY PHARMA DEVELOPMENT FUNDING, LLC, a Delaware limited liability company ("**RP**" or the "**Lender**", and together with RP's affiliates, successors and/or assignees that become Lenders under the Loan Agreement, collectively but not jointly, the "**Lenders**") and CYTOKINETICS, INCORPORATED, a Delaware corporation with offices located at 350 Oyster Point Boulevard, South San Francisco, CA 94080 ("**Borrower**").

WHEREAS, the Lender and Borrower are parties to that certain Development Funding Loan Agreement dated as of January 7, 2022 (as amended by the Consent and Amendment dated as of June 30, 2022 and the Second Amendment dated as of December 8, 2022, the "**Loan Agreement**");

WHEREAS, the Lender and Borrower desire to amend the Loan Agreement to, among other things, add a new Tranche 6 Advance and a new Tranche 7 Advance, each on the terms set forth in this Third Amendment;

WHEREAS, concurrent with entry into this Third Amendment, the Lender (or one or more of its affiliates, as applicable) and Borrower desire to (i) amend that certain Revenue Participation Right Purchase Agreement entered into by Borrower and Royalty Pharma Investments 2019 ICAV on January 7, 2022 by entry into an Amendment No. 1 to Revenue Participation Right Purchase Agreement, (ii) enter into that certain 2024 Development Funding Loan Agreement and (iii) enter into that certain CK-586 Revenue Participation Right Purchase Agreement ((i) to (iii) collectively, the "**2024 Transaction Documents**");

WHEREAS, Borrower desires that the Lender consents to the entry of each of the 2024 Transaction Documents and make certain other modifications to the Loan Agreement; and

WHEREAS, the Lender desires to consent to the entry of the 2024 Transaction Documents and such other modifications to the Loan Agreement, each on the terms set form in this Third Amendment.

NOW, THEREFORE, in consideration of the foregoing premises and the benefits contained therein, the parties agree as follows:

SECTION 1 Definitions; Interpretation. All capitalized terms used in this Third Amendment (including in the recitals hereof) and not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

SECTION 2 Consent. Notwithstanding anything to the contrary in the Loan Agreement, subject to the satisfaction of the conditions precedent set forth in Section 4 of this Third Amendment, the Lender hereby consents to the execution and delivery by Borrower of each 2024 Transaction Document and agrees that the execution and delivery by Borrower of each 2024 Transaction Document and the performance by Borrower of its obligations thereunder do not and will not constitute an Event or Default, a default, a breach or similar event under the Loan Agreement or this Third Amendment. The consent in this Section 2 shall be effective only in this specific instance, for the specific purpose set forth herein and solely with respect to the 2024 Transaction Documents, and does not allow for any other or further departure from the terms and conditions of the Loan Agreement or any other Loan Document, which terms and conditions shall continue in full force and effect, nor shall it establish a custom or course of dealing or conduct between the Lenders, on the one hand, and the Borrower and any other Loan Party, on the other hand.

SECTION 3 Amendments to Loan Agreement. Subject to the satisfaction of the conditions precedent set forth in Section 4 of this Third Amendment, the Loan Agreement is amended as follows:

(a) Section 1.2 of the Loan Agreement is hereby amended by adding the following sentence to the end of such Section:

"Terms used herein (whether capitalized or not) that concern the Collateral (or the creation, perfection, priority, protection or enforcement of Liens thereon) that are not otherwise defined herein shall have the meaning assigned thereto in Article 8 or Article 9 (as applicable) of the UCC if such terms are so assigned a meaning in such Articles of the UCC."

(b) Section 2.2(a) of the Loan Agreement is hereby amended by adding a new Section 2.2 (a)(vi) and a new Section 2.2(a)(vii) immediately after Section 2.2(a)(v) and immediately prior to the last paragraph of Section 2.2(a):

"(vi) the Lenders shall, subject to satisfaction of all of the conditions set forth in Section 4 of the Third Amendment, severally (and not jointly) make a term loan to Borrower on the Third Amendment Effective Date in an aggregate amount of $50,000,000 (the "**Tranche 6 Advance**");

(vii) during the Tranche 7 Draw Period, Borrower may request and the Lenders will, subject to the applicable conditions in this Agreement, severally (and not jointly) make in the amount up to $175,000,000 in the aggregate (the "**Tranche 7 Commitment**"), one or more term loans to Borrower, each in the increment(s) of $25,000,000 (the "**Tranche 7 Advance**"); provided that the Tranche 7 Commitment shall automatically terminate upon the earliest of the following: (A) the Tranche 7 Draw Condition does not occur on or prior to December 31, 2025 and (B) the Tranche 7 Commitment being terminated pursuant to Section 9.1(a)."

(c) The paragraph at the end of Section 2.2(a) of the Loan Agreement is hereby amended and restated in its entirety as follows:

"Each of Tranche 1 Advance, Tranche 2 Advance, Tranche 3 Advance, Tranche 4 Advance, Tranche 5 Advance, Tranche 6 Advance and Tranche 7 Advance is herein referred to singly as a "**Term Loan**", and collectively as the "**Term Loans**". After repayment, no Term Loan may be re-borrowed. Each Tranche 2 Commitment, Tranche 3 Commitment, Tranche 4 Commitment, Tranche 5 Commitment, and Tranche 7 Commitment is herein referred to singly as a "**Commitment**", and collectively as the

"**Commitments**". Notwithstanding anything to the contrary in this Agreement or any other Loan Document, it is agreed and understood by all parties hereto that all of the Tranche 2 Commitments and all of the Tranche 3 Commitments have expired and are no longer available."

(d) Section 2.2(b) of the Loan Agreement is hereby amended and restated in its entirety as follows:

"(b) Mandatory Draw.

(i) Due to the Tranche 4 Draw Condition previously occurring on April 4, 2024, Borrower is required to request (and Borrower agrees to so request) a Tranche 4 Advance of at least $50,000,000 during the Tranche 4 Draw Period; provided, however, that if the Tranche 5 Draw Condition occurs prior to the end of the Tranche 4 Draw Period, Borrower may request a Tranche 5 Advance of at least $50,000,000 during the Tranche 5 Draw Period in lieu of the Tranche 4 Advance required under this Section 2.2(b)(i).

(ii) Notwithstanding the foregoing or anything else to the contrary in this Agreement or any other Loan Document, if during the Tranche 4 Draw Period (without regard to the proviso to the definition of Tranche 4 Draw Period), Borrower or any of its Affiliates enters into a definitive agreement for, or there is otherwise an announcement of, a Change of Control (any such Change of Control, a "**Specified Change of Control**" and such condition, the "**Tranche 4 Mandatory Full Draw Condition**"), Borrower shall draw on or prior to the Change of Control Draw Date one Tranche 4 Advance of $75,000,000 (or such lesser amount that equals the then remaining portion of the Tranche 4 Commitment if one or more Tranche 4 Advances have previously been drawn) (such remaining portion of such Tranche 4 Commitments as of such applicable time, the "**Remaining Tranche 4 Commitments**"); provided that if such a Tranche 4 Advance in the entire amount of the Remaining Tranche 4 Commitments (such Tranche 4 Advance in such amount, the "**Applicable Tranche 4 Advance**") has not been funded as of the Change of Control Draw Date, (A) such Applicable Tranche 4 Advance shall be deemed to be outstanding, (B) interest (at the applicable interest rate at such time pursuant to Section 2.3(a) and Section 2.3(b), as applicable) shall be deemed to incur, accrue and be fully-earned on such Applicable Tranche 4 Advance commencing on (and including), and at all times after, the Change of Control Draw Date (and shall be due and payable at the applicable time(s) for which interest is otherwise required to be paid under this Agreement and the other Loan Documents) and (C) AFPA Applicable Fees shall be incurred, outstanding, owed and fully-earned on such Applicable Tranche 4 Advance (and shall be due and payable at the applicable time(s) for which such AFPA Applicable Fees are otherwise required to be paid under this Agreement and the other Loan Documents) commencing on (and including), and at all times after, the Change of Control Draw Date, but the Final Payment solely in respect of such Applicable Tranche 4 Advance (and solely to the extent not actually drawn) shall be reduced by the principal amount of such undrawn Applicable Tranche 4 Advance (and such Applicable Tranche 4 Advance shall be deemed funded (and interest shall be deemed to start to incur, accrue and be earned on such Applicable Tranche 4 Advance on (and\ including), and at all times after, the Change of Control Draw Date and AFPA Applicable Fees shall be incurred, outstanding, owed and fully-earned on such Applicable Tranche 4 Advance) and such Applicable Tranche 4 Advance shall be deemed to have been repaid upon payment of the Final Payment. "**Change of Control Draw Date**" means the consummation or closing of a Specified Change of Control.

(e) Section 2.2(c) of the Loan Agreement is hereby amended and restated in its entirety as follows:

"(c) Repayment. Except as otherwise expressly specified in Section 2.2(d) and Section 2.2(e), with respect to each Term Loan made by the Lenders, Borrower shall make (i) quarterly payments commencing on the last Business Day of the seventh (7^{th}) full calendar quarter following the calendar quarter of the Funding Date of such Term Loan in an amount equal to (y) in the case of Term Loans consisting of a Tranche 1 Advance, a Tranche 4 Advance, a Tranche 5 Advance, a Tranche 6 Advance or a Tranche 7 Advance (or any other Term Loan not consisting of a Tranche 2 Advance or a Tranche 3 Advance), the amounts stated on "PART 1" of Schedule 2.2(c) attached hereto for the applicable calendar quarter, and (z) in the case of Term Loans consisting of a Tranche 2 Advance or a Tranche 3 Advance, the amounts stated on "PART 2" of Schedule 2.2(c) attached hereto for the applicable calendar quarter, and (ii) on the Maturity Date, a payment of the Final Payment. Each Term Loan may only be prepaid, paid or repaid in accordance with Sections 2.2(d), 2.2(e) and 2.8."

(f) Section 2.2(d) of the Loan Agreement is hereby amended and restated in its entirety as follows:

"If the Term Loans are (i) accelerated following the occurrence of an Event of Default pursuant to Section 9.1(a), Borrower shall immediately pay to Lenders, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal to (x) with respect to an Event of Default other than an Event of Default of a type described in Section 8.5, the Regular Default Payment with respect to all Term Loans, and (y) with respect to an Event of Default of a type described in Section 8.5, the Specified Default Payment with respect to all Term Loans, (ii) repaid, prepaid or otherwise paid under any circumstances other than pursuant to clause (i) directly above or solely with respect to a voluntary prepayment of a Tranche 6 Advance or a Tranche 7 Advance pursuant to Section 2.2(e)(ii)(B) below, Borrower shall repay, prepay or pay to Lenders, payable to each Lender in accordance with its respective Pro Rata Share an amount equal to the Final Payment with respect to all Term Loans, or (iii) if any or all of the loans and other obligations (including, without limitation, the "Obligations" (as defined in the 2024 DFA) under the 2024 DFA are voluntarily prepaid, repaid, paid, defeased or repurchased early (whether pursuant to Section 2.2(d) thereof or otherwise and regardless of whether all of the requirements set forth in Section 2.2(d) thereof are fully satisfied), Borrower shall immediately pay to Lenders, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal to the Final Payment with respect to all Term Loans. Notwithstanding (but without duplication of) the foregoing or anything to the contrary in this Agreement or any other Loan Document, except in the instance described in clause (y) of the immediately preceding sentence, on the Maturity Date, if the Final Payment with respect to each Term Loan had not previously been paid in full in connection with the prepayment of the Term Loans in full, Borrower shall pay to each Lender in accordance with its respective Pro Rata Share, the Final Payment in respect of the Term Loan(s)."

(g) Section 2.2(e) of the Loan Agreement is hereby amended and restated in its entirety as follows:

"(e) Voluntary Prepayment of Term Loans. Borrower may at any time prepay all (but not less than all) of the Term Loans advanced by the Lenders under this Agreement, so long as (i) Borrower provides a written notice to the Lenders of Borrower's election to prepay all of the outstanding Term Loans on at least ten (10) Business Days prior to such prepayment, (ii) Borrower pays (A) with respect to any Term Loan (other than a Tranche 6 Advance or a Tranche 7 Advance), the Final Payments to Lenders on the date of prepayment indicated in such notice, and (B) with respect to a Tranche 6 Advance of a Tranche 7 Advance, the Prepayment Amounts to Lenders on the date of prepayment indicated in such notice, (iii) during the Tranche 4 Draw Period, Borrower shall have requested and drawn a Tranche 4 Advance or a Tranche 5 Advance required under Section 2.2(b)(i) and (iv) if the Tranche 4 Mandatory Full Draw Condition have been satisfied, Borrower shall have requested and drawn one Tranche 4 Advance in aggregate amount of $75,000,000. The prepayment notice delivered by Borrower pursuant to the preceding sentence shall be irrevocable; provided that such prepayment notice may state that such prepayment notice is conditioned upon the effectiveness of other transactions or events specified therein, in which case such notice may be permanently revoked by Borrower (by written notice to the Lenders on or prior to the specified effective date) if such condition is not satisfied (and Borrower certifies in writing thereto). Upon any prepayment of all (but not less than all) of the Term Loans and other Obligations by Borrower pursuant to this Section 2.2(e), all Commitments of the Lenders shall be irrevocably and permanently terminated.

(h) Section 2.3(b) of the Loan Agreement is hereby amended and restated in its entirety as follows:

"(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, all Obligations shall accrue interest at a rate equal to 4% over the Prime Rate (the "**Default Rate**"); provided that, solely in the case of an Event of Default for the violation of any covenant in Article 6 (other than Sections 6.1(a), 6.2(a)(i), 6.2(a)(ii), 6.2(a)(iii) and 6.4, the last sentence of Section 6.9 and Section 6.11), the Default Rate shall accrue instead upon written notice from a Lender following such Event of Default. Notwithstanding anything to the contrary in this Agreement or any other Loan Document and for the avoidance of doubt, the Default Rate shall accrue (and be in addition to) to any interest which is included in Applicable Final Payment Amounts. Payment or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of any Lender."

(i) Section 2.8 of the Loan Agreement is hereby amended and restated in its entirety as follows:

"Section 2.8 Change of Control. Borrower shall give the Lenders written notice of a Change of Control at least fifteen (15) Business Days prior to the consummation thereof but in any event not later than two (2) Business Days following the first public announcement thereof. Within ten Business Days after the receipt of such written notice, (a) the Lenders, in the exercise of their sole discretion, may deliver a written notice to the Borrower (the "**Put Notice**") or (b) Borrower, in the exercise of its sole discretion, may deliver a written notice to the Lenders (the "**Repayment Notice**") that (i) the Final Payment with respect to all Term Loans (other than a Tranche 6 Advance and a Tranche 7 Advance), and (ii) the Prepayment Amounts with respect to a Tranche 6 Advance and a Tranche 7 Advance, in each case of clause (i) and clause (ii), shall be due and payable and all remaining Commitments shall be automatically terminated upon the consummation of such Change of Control, with no further action taken by any Person as of or after the date of such Put Notice or Repayment Notice, as applicable. If the Lenders deliver a Put Notice or the Borrower delivers a Repayment Notice, as applicable, then simultaneously with consummation of such Change of Control, the Borrower shall make (or cause to be made), (A) the Final Payment with respect to all Term Loans (other than a Tranche 6 Advance or a Tranche 7 Advance) and (B) the Prepayment Amount with respect to a Tranche 6 Advance or a Tranche 7 Advance, in each case of clause (A) and clause (B), to the Lenders and all remaining Commitments shall be immediately and automatically terminated upon the consummation of such Change of Control. For purposes of determining the Final Payment Amount with respect to the Term Loans (other than a Tranche 6 Advance or a Tranche 7 Advance), any Tranche 4 Advance that is required to be requested or made (or deemed to be requested or made) pursuant to Section 2.2(b)(ii) on or prior to consummation of such Change of Control but has not been funded as of such consummation shall be deemed to be outstanding (and interest shall be deemed to have been incurred on such date and AFPA Applicable Fees shall be incurred on such amount), but the Final Payment in respect of such Tranche 4 Advance shall be reduced by the principal amount of such Tranche 4 Advance (and such Tranche 4 Advance shall be deemed funded (and interest shall be deemed to have been incurred on such amount on such date and AFPA Applicable Fees shall be incurred on such amount) and repaid upon payment of the Final Payment in accordance with this Section 2.8)."

(j) Section 3.2(d) of the Loan Agreement is hereby amended and restated in its entirety as follows:

"(d) Lender shall have received a certificate of a Responsible Officer of Borrower certifying that (i) the conditions set forth in clauses (c), (d) and (e) of this Section 4 have been satisfied, (ii) Borrower and its Subsidiaries are each Solvent and (iii) Tranche 4 Draw Period, Tranche 5 Draw Period or Tranche 7 Draw Period, as applicable, has commenced and is continuing."

(k) Clause (v) of the second paragraph of Section 5.1 is hereby amended by replacing the language "the 2017 PA, Amendment or the 2017 PA" in such clause with the following: "the 2017 PA Amendment, the 2017 PA and the 2024 Transaction Documents".

(l) Section 5.12 of the Loan Agreement is hereby amended and restated in its entirety as follows:

"Section 5.12. Definition of "Knowledge". For purposes of the Loan Documents, whenever a representation or warranty is made to Borrower's Knowledge, or with a similar qualification, "**Knowledge**" means the actual knowledge of [*] after reasonable due inquiry; provided that in the case of "Borrower's Knowledge" with respect to agents of Borrower or its Subsidiaries in the second paragraph of Section 5.6, it shall mean actual knowledge of the foregoing officers, without any inquiry."

(m) Article 6 of the Loan Agreement is hereby amended by adding a new Section 6.11 at the end thereof:

"Section 6.11. CK-586 Financing. If the Borrower commences material negotiation of a term sheet to enter, or cause any of its Subsidiaries to commence material negotiation of a term sheet to enter, into a CK-586 Financing, then Borrower shall provide the Lenders, not less than [*] prior written notice of the expected (and actual) consummation of such CK-586 Financing, which notice shall include a reasonably detailed summary of the terms thereof (which such requirement may be satisfied by providing a copy of any term sheet for such proposed CK-586 Financing), and Borrower shall provide any such information thereafter to the Lenders that may be reasonably requested by any Lender. If such CK-586 Financing constitutes a Triggering CK-586 Financing, then, prior to the Borrower or any of its Subsidiaries entering into any such Triggering CK-586 Financing, (A) (1) Borrower shall cause each Subsidiary of the Loan Parties that guarantees the Triggered CK-586 Financing to enter into, a guarantee (which shall be deemed to be a Loan Document) in favor of the Lenders (and, at the sole option of the Lenders, a security agent for the Lenders) in form and substance reasonably satisfactory to the Lenders, pursuant to which such Subsidiary guarantees all of the Obligations under this Agreement and the other Loan Documents, (2) Borrower shall enter into, and cause each Loan Party (and each such Subsidiary that will (or is required to) enter into a guarantee pursuant to clause (A)(1)) to enter into, a security agreement (which shall be deemed to be a Loan Document) with (and in favor of) the Lenders (or, at the sole option of the Lenders, a security agent acting on behalf of the Lenders) in form and substance reasonably satisfactory to the Lenders, pursuant to which Borrower and any such other Loan Party (and such Subsidiary that will (or is required to) enter into a guarantee pursuant to clause (A)(1) above) would grant to the Lenders (or a security agent acting on behalf of the Lenders) as security for payment of all of Borrower's and each Loan Party's Obligations under this Agreement and the other Loan Documents a first priority security interest and Lien (subject solely to Permitted Liens) in and to all right, title and interest in, to and under the Product Assets, the Products, all "proceeds" (as defined in the UCC) of the foregoing and all deposit accounts and securities accounts into which such proceeds are (or any of the collateral is) deposited, whether now owned or existing or hereafter acquired or arising (all such assets and security, collectively, the "**Collateral**"), and (3) Borrower shall enter into, and cause each Loan Party (and each such Subsidiary of the Loan Parties that will (or is required to) enter into a guarantee pursuant to clause (A)(1) above) to enter into, such other documents that are necessary or are reasonably requested by the Lenders to provide the Lenders (or, at the sole option of the Lenders, a security agent for the Lenders) a first priority security interest and Lien (subject solely to Permitted Liens) in the Collateral, (B) the Borrower shall cause (or cause the applicable Loan Party or Subsidiary to cause) the lender or provider (or their agent, as applicable) of such Triggering CK-586 Financing (and any Indebtedness permitted by clause (e) of the definition of "Permitted Secured Indebtedness") that is

expressly permitted by this Agreement (and is actually) secured by the Product Assets for which a Triggering CK-586 Financing is also secured (and the Loan Parties shall, and shall cause any such applicable Subsidiary to) enter into a customary intercreditor agreement with the Lenders (or, at the sole option of the Lenders, a security agent for the Lenders) in form and substance reasonably satisfactory to the Lenders (a "**Customary Intercreditor Agreement**" (and the Lender shall, without unreasonable delay and in good faith negotiate and enter into such a Customary Intercreditor Agreement) and (C) Borrower shall, and shall cause the other Loan Parties (and such applicable Subsidiary) to take all actions necessary or reasonably requested by the Lenders to perfect, provide and maintain a first priority security interest (subject solely to Permitted Liens) in all of the Collateral."

(n) Section 7.1(a) of the Loan Agreement is hereby amended and restated in its entirety as follows:

"(a) Convey, sell, lease, transfer, license, assign, or otherwise dispose of (collectively, "**Transfer**") all or substantially all of the business or property of Borrower or any of its Subsidiaries (other than any Immaterial Subsidiary and, solely in connection with a Transfer of a CK-586 Subsidiary from a foreclosure or exercise of remedies pursuant to a Ring-Fenced CK-586 Financing, any CK-586 Subsidiary solely as permitted by (and in accordance with) the applicable intercreditor agreement in favor of the Lenders (or the security agent for the Lenders, as applicable)),"

(o) Section 7.8(d) of the Loan Agreement is hereby amended and restated in its entirety as follows:

"(d) (i) transactions among Loan Parties, (ii) transactions among Subsidiaries that are not Loan Parties and (iii) transactions solely with a CK-586 Subsidiary in connection with Permitted Investments, so long as such transactions are (A) in each case of clause (i), clause (ii) and clause (iii), Permitted Investments, (B) in each case of clause (i), clause (ii) and clause (iii), incurred in the ordinary course of business; provided that, solely in the case of clause (iii), a CK-586 Financing is not required to be in the ordinary course of business, and (C) in the case of clause (iii), upon fair and reasonable terms that are no less favorable to a Loan Party than would be obtained in an arm's length transaction with a non-affiliated Person."

(p) Section 8.02(a)(i) of the Loan Agreement is hereby amended and restated in its entirety as follows:

"(a) (i) Borrower or any Loan Party violates any covenant in Section 6.2(a)(i), 6.2(a)(ii) or 6.2(a)(iii), Section 6.4 (Taxes), Section 6.11 (CK-586 Financing), or Article 7, (ii) Borrower or any Loan Party violates the last sentence of Section 6.9 (Notice of Default) or (iii) Borrower or any Loan Party fails or neglects to perform any obligation in Sections 6.2 (Financial Statements, Reports, Certificates) (other than Section 6.2(a)(i), 6.2(a)(ii) or 6.2(a)(iii)), Section 6.5 (Insurance), Section 6.9 (Notice of Litigation and Default) (other than the last sentence thereof) or Section 6.10 (Further Assurances) and, solely in the case of this clause (a)(iii), Borrower has failed to cure such default within 10 days after the earlier of (A) receipt by Borrower or any of its Subsidiaries of notice thereof from RP or any Lender and (B) the knowledge thereof by Borrower or any of its Subsidiaries; or"

(q) Section 8.11 of the Loan Agreement is hereby amended and restated in its entirety as follows:

"Section 8.11 Purchase Agreement, 2017 PA Amendment, CK-586 RPA and 2022 PA Amendment. A default shall occur in the payment when due in respect of any of Borrower's obligations under the Purchase Agreement, the 2017 PA Amendment, CK-586 RPA and 2022 PA Amendment and such default continues for fifteen (15) Business Days after the earlier of (a) receipt by the Borrower or any of its Subsidiaries of written notice thereof by Royalty Pharma Investments 2019 ICAV, RPI Finance Trust or a Lender or any of their Affiliates or representatives (or, in each case, any assignee or transferee thereof) and (b) the knowledge of each default by Borrower or any of its Subsidiaries; provided that such fifteen (15) Business Day period shall not commence at any time in which the non-payment is subject to a good faith dispute of the Borrower that is actively and continuously being pursued and negotiated."

(r) The Loan Agreement is hereby amended by adding the following new Section 8.12.

"Section 8.12 2024 DFA Default. An "Event of Default" (as defined under the 2024 DFA) occurs under the 2024 DFA or any other "Loan Document" (as defined in the 2024 DFA).

(s) Section 9.1(a) of the Loan Agreement is hereby amended and restated in its entirety as follows:

"(a) Upon the occurrence and during the continuance of an Event of Default, RP may, without notice or demand, do any or all of the following: (i) deliver notice of the Event of Default to Borrower, or (ii) by notice to Borrower declare all Obligations (including, without limitation and without duplication, the Regular Default Payment) immediately due and payable and terminate all Commitments (but if an Event of Default described in Section 8.5 occurs, all Obligations (including, without limitation and without duplication, the Specified Default Payment) shall be immediately due and payable and all Commitments shall immediately terminate without any notice or action by RP or the Lenders) or (iii) by notice to Borrower suspend or terminate the obligations, if any, of the Lenders to advance money or extend credit for Borrower's benefit under this Agreement or any other Loan Document (but if an Event of Default described in Section 8.5 occurs, all obligations, if any, of the Lenders to advance money or extend credit for Borrower's benefit under this Agreement or any other Loan Document shall immediately terminate without any action by RP or the Lenders). Without limiting the rights of the Lenders (or any security agent therefor) set forth in the foregoing provisions of this Section 9.1(a), upon the occurrence and during the continuance of an Event of Default, the Lenders (or any security agent therefor) shall have the right, without notice or demand, to do any or all of the following, to the extent the Obligations are secured by any Collateral at such time, subject to the terms and provisions of any applicable Customary Intercreditor Agreement in effect at such time: (A) foreclose upon, dispose of and/or sell or otherwise liquidate, the Collateral, (B) apply to any Obligations any (1) balances and deposits of Borrower or any of its Subsidiaries that is Collateral or which any Lender (or any security agent therefor) holds or controls or (2) any amount held or controlled by any Lender (or any security agent therefor) owing to or for the credit or the account of Borrower or any of its Subsidiaries, or (C) take any other action with respect to the Collateral that (1) any secured creditor has available under the UCC, under other applicable law, in equity or otherwise or (2) any

Lender (or any security agent therefor) has available under any of the Loan Documents, any related documents or any applicable Customary Intercreditor Agreement."

(t) Section 12.5 of the Loan Agreement is hereby amended and restated in its entirety as follows:

"Section 12.5 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower, any other Loan Party or any of their respective Subsidiaries is made to RP or any Lender, or RP or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by RP or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any bankruptcy law, debtor relief law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, (b) all guarantees, security documents (including any Liens on the Collateral granted thereunder) and other documents provided under Section 6.11 shall automatically spring back into existence and be in full force and effect without any action by any Person, and (c) Borrower shall, and shall cause each of its applicable Subsidiaries to, execute and deliver such documents and take such other actions reasonably requested by any Lender in connection with effectuating any of the foregoing (including entering into new such guarantees, security documents and such other documents or reaffirming, ratifying and acknowledging the enforceability and effectiveness of such guarantees, security documents and other documents referenced in clause (b) above)."

(u) The defined term "Applicable Final Payment Amount" in Article 14 of the Loan Agreement is hereby amended and restated in its entirety as follows:

"**Applicable Final Payment Amount**" means (a) with respect to Term Loans consisting of a Tranche 1 Advance, a Tranche 4 Advance, a Tranche 5 Advance, a Tranche 6 Advance or a Tranche 7 Advance (or any other Term Loan not consisting of a Tranche 2 Advance or a Tranche 3 Advance) (as applicable), the "Applicable Final Payment Amount (PART 1)" (as defined in PART 1 of Schedule 2.2(c) to this Agreement), and (b) with respect to Term Loans consisting of a Tranche 2 Advance or a Tranche 3 Advance (as applicable), the "Applicable Final Payment Amount (PART 2)" (as defined in PART 2 of Schedule 2.2(c) to this Agreement).

(v) The defined term "Applicable Payment Amount" in Article 14 of the Loan Agreement is hereby amended to remove the footnote at the end of such definition.

(w) The defined term "Loan Documents" in Article 14 of the Loan Agreement is hereby amended to add the following language "(and any guarantee, security agreement, any Customary Intercreditor Agreement or other document provided or entered into by Borrower, any of its Subsidiaries or any other Person pursuant to Section 6.11 or pursuant to Section 12.5)" immediately after the words "RP in connection with this Agreement" in such definition.

(x) The defined term "Permitted Investments" in Article 14 of the Loan Agreement is hereby amended by (x) amending and restating clause (a) as follows and (y) adding new clauses (f) and (g) at the end thereof:

"(a) [*];"

"(f) [*]; and

(g) [*]."

(y) The defined term "Permitted Secured Indebtedness" in Article 14 of the Loan Agreement is hereby amended by [*].

(z) The defined term "Tranche 4 Draw Period" in Article 14 of the Loan Agreement is hereby amended by adding the following proviso at the end of such definition immediately before the ".":

"; provided that, notwithstanding the foregoing (unless otherwise terminated prior to such date by the Lenders holding the remaining Tranche 4 Commitments in their sole discretion), the Tranche 4 Draw Period shall be automatically extended (if applicable) until Change of Control Draw Date.

(aa) The following defined terms are added to Article 14 of the Loan Agreement in alphabetical order:

"**2022 PA Amendment**" means the Amendment No. 1 to Revenue Participation Right Purchase Agreement to the Revenue Participation Right Purchase Agreement dated as of January 7, 2022, by and between Borrower and Royalty Pharma Investments 2019 ICAV.

"**2024 DFA**" means the Development Financing Loan Agreement entered into on the date of this Agreement by Borrower and RP, as amended, restated, supplemented or otherwise modified from time to time.

"**2024 Transaction Documents**" means (a) the 2024 DFA and the other "Loan Documents" (as defined in the 2024 DFA), (b) the CK-586 RPA, and (c) 2022 PA Amendment.

"**Change of Control Draw Date**" is defined in Section 2.2(b)(ii)

"**CK-586 Financing**" means, solely to the extent the "Additional Investment Opt-In Right" (as defined in the CK-586 RPA) is not exercised pursuant to Section 2.3 of the CK-586 RPA by the deadline provided therein (after giving effect to all extensions thereof) as permitted by the CK-586 RPA, and solely after such time (if ever), any Indebtedness incurred by Borrower or its Subsidiaries that is secured solely by the CK-586 Product Assets; provided that if such Indebtedness is a Triggering CK-586 Financing, then such Indebtedness shall be required to satisfy all of the conditions, and meet all of the requirements, set forth in Section 6.11 prior to, or at the time of, being incurred by Borrower or such Subsidiary.

"**CK-586 RPA**" means the CK-586 Revenue Participation Right Purchase Agreement entered into on the date of this Agreement by and between Borrower and Royalty Pharma Investments 2019 ICAV, as amended, restated, supplemented or otherwise modified from time to time.

"**CK-586 Product**" means any pharmaceutical that contains Borrower's proprietary small molecule cardiac myosin inhibitor product, referred to as CK-586, and any current or future forms thereof, including any reformulations, prodrugs, metabolites, racemates, deuterated forms, pharmaceutical hydrates, solvates, salts, crystalline, bases, esters, isomers, optical isomers, or polymorphs thereof, in any strength, form, formulation, regimen, administration or delivery route

"**CK-586 R&D Cost**" means the "R&D Costs" as defined in the CK-586 RPA.

"**CK-586 Subsidiary**" means a Subsidiary that (a) is bankruptcy remote and for which no liabilities or obligations thereof are responsibilities of, guaranteed by or recourse to, any Loan Party or any of its other Subsidiaries that are not CK-586 Subsidiaries, (b) is established solely for the purpose of Developing and Commercializing CK-586, (c) holds no assets other than Excluded Product Assets, (d) does not guarantee or otherwise provide credit support for any Indebtedness of any Loan Party or any of its other Subsidiaries that are not CK-586 Subsidiaries (other than, to the extent constituting Indebtedness, the obligations under the CK-586 RPA), I has no agreements or other arrangements with any Loan Party or any of its other Subsidiaries, other than customary intercompany licensing agreements, research and development agreements, management agreements and other services agreements (including to provide for the payment of CK-586 R&D Costs), in each case of this clause (e), that are entered into (i) in the ordinary course of business or in the ordinary course of business for a similar ring-fenced transaction for a bankruptcy-remote Subsidiary similar to any applicable CK-586 Subsidiary and (ii) fair and reasonable terms that are no less favorable to a Loan Party (or such other Subsidiary) than would be obtained in an arm's length transaction with a non-affiliated Person, and (g) receives no investments (and no Investments) or other support of any kind from any Loan Party or any of its other Subsidiaries other than as expressly permitted by clause (g) of the definition of "Permitted Investments".

"**Develop**" or "**Developing**" means engaging in manufacturing, preclinical, clinical, or other research and development activities (including manufacturing activities related thereto) directed towards obtaining Marketing Approval. "**Development**" means the process of Developing.

"**Excluded CK-586 Product Related Assets**" means, collectively, "Product Assets" (as defined in the CK-586 RPA) solely related to the CK-586 Product owned by Borrower or any of its Subsidiaries, including (i) all cash and cash equivalents that are "proceeds" (as defined in the UCC) thereof to the extent (A) traceable solely from such sale, license or deposition of such "Product Assets" (as defined in the CK-586 RPA) or (B) traceable solely from the proceeds of any CK-586 Financing, and (ii) any deposit or securities accounts holding such traceable cash and equivalent proceeds referred to in clause (i) directly above.

Market Capitalization" means an amount equal to (a) the total number of issued and outstanding shares of Equity Interests of the Borrower (or any successor entity) on the date of the declaration or making of the relevant Investment, *multiplied by* (b) the arithmetic mean of the closing prices per share of such Equity Interests for the 30 consecutive trading days immediately preceding the date of the making of such Investment.

"**Permitted Liens**" means (a) Liens for Taxes not yet delinquent or Liens for Taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established; (b) customary banker's liens for collection or rights of set off or similar rights and remedies as to deposit accounts or other funds maintained with depositary institutions; (c) any anti-assignment provisions (solely to the extent any such assignment restriction could not be rendered ineffective pursuant to the UCC or any other applicable law or principles of equity) in any Permitted License (or in any in-license or contract, in each case, entered into in the ordinary course permitted under this Agreement); (d) Liens in the nature of right of setoff in favor of counterparties to contractual agreements with Borrower in the ordinary course of business; (e) Liens securing Indebtedness permitted by clause (e) of the definition of "Permitted Secured Indebtedness" to the extent such Liens and Indebtedness is covered by a Customary Intercreditor Agreement to the extent required by (or requested under) Section 6.11; (f) Liens on cash and cash equivalents of Borrower with respect to Indebtedness permitted by clause (b) or clause (c) of the definition of "Permitted Secured Indebtedness"; (g)(i) any retained rights of a licensor under any in-license entered into in the ordinary course of business or (ii) any out-bound Permitted License provided to a licensee permitted under this Agreement; and (h) any Liens in favor of the Lenders or Royalty Pharma Investments 2019 ICAV.

"**Prepayment Amount**" means, solely with respect to each of a Tranche 6 Advance and a Tranche 7 Advance (and not any other Term Loan), an amount equal to (i) the product of (x) the principal amount of such Tranche 6 Advance or Tranche 7 Advance (as applicable) *multiplied* by (y) the "Multiplier" specified in the table below corresponding to the time period that the prepayment or payment date falls into, *minus* (ii) the sum, without duplication, of all payments that have been paid in cash to the Lenders pursuant to Section

2.2(c) in respect of such Tranche 6 Advance or Tranche 7 Advance (as applicable) prior to the relevant prepayment or payment date.

Prepayment or Payment Date	Multiplier
From (and including) the Funding Date of such Term Loan to (and excluding) the first anniversary of such Funding Date	150%
From (and including) the first anniversary of the Funding Date of such Term Loan to (and excluding) the second anniversary of such Funding Date	155%
From (and including) the second anniversary of the Funding Date of such Term Loan to (and excluding) the third anniversary of such Funding Date	160%
From (and including) the third anniversary of the Funding Date of such Term Loan to (and excluding) the fourth anniversary of such Funding Date	164%
From (and including) the fourth anniversary of the Funding Date of such Term Loan to (and excluding) the fifth anniversary of such Funding Date	169%
From (and including) the fifth anniversary of the Funding Date of such Term Loan to (and excluding) the sixth anniversary of such Funding Date	173%
From (and including) the sixth anniversary of the Funding Date of such Term Loan to (and excluding) the seventh anniversary of such Funding Date	177%
From (and including) the seventh anniversary of the Funding Date of such Term Loan to (and excluding) the eighth anniversary of such Funding Date	181%
From (and including) the eighth anniversary of the Funding Date of such Term Loan to (and excluding) the ninth anniversary of such Funding Date	186%
From (and including) the ninth anniversary of the Funding Date of such Term Loan	190%

"Product Assets" means (i) the "Product Assets" as defined in the Purchase Agreement (as amended, restated, supplemented or otherwise modified from time to time) and (ii) the "Product Assets" as defined in the 2024 DFA.

"**Ring-Fenced CK-586 Financing**" means a CK-586 Financing that meets one of the following conditions: (i) such CK-586 Financing (a) is structured as a "true sale" of royalties or revenues on customary terms and conditions for such transactions (it being

agreed that the terms of the CK-586 RPA and the Purchase Agreement shall be deemed customary), and (b) does not include any put or default provisions that could result in the acceleration of payment of such royalties or revenues or a multiple of invested capital or other amounts becoming payable or liquidated damages or similar provisions, or (ii) such CK-586 Financing is effectuated through one or more CK-586 Subsidiaries and is non-recourse to Borrower and its other Subsidiaries (other than representations, warranties and "bad person" indemnities that are customary and market for non-recourse structured and bankruptcy remote transactions) and does not include liquidated damages or similar provisions that are recourse to Borrower or its other Subsidiaries.

"**Third Amendment Effective Date**" means May 22, 2024.

"**Tranche 4 Mandatory Full Draw Condition**" is defined in Section 2.2(b)(ii).

"**Tranche 6 Advance**" is defined in Section 2.2(a)(vi).

"**Tranche 7 Advance**" is defined in Section 2.2(a)(vii).

"**Tranche 7 Commitment**" is defined in Section 2.2(a)(vii).

"**Tranche 7 Draw Condition**" is defined in the definition of "Tranche 7 Draw Period".

"**Tranche 7 Draw Period**" means the one (1) year period commencing on the date of the occurrence of Marketing Approval by the FDA of *aficamten* for the treatment of adults with symptomatic New York Heart Association (NYHA) class II-III obstructive hypertrophic cardiomyopathy (HCM) to improve functional capacity and symptoms with a Risk Evaluation and Mitigation Strategy (REMS) that is no more restrictive or burdensome than the then applicable REMS for CAMZYOS (mavacamten), including with respect to monitoring for detection of heart failure or screening for drug interactions (such occurrence, the "**Tranche 7 Draw Condition**").

"**Treasury Rate**" means as of any date, the rate of interest per annum on U.S. Treasury Notes having a maturity of 10 years as shown in the 10 year listing in the "this week" column under the heading "Treasury Constant Maturities" of the FEDERAL RESERVE statistical release FORM H 15 which has been most recently published (or, if for any reason that published rate as of a date not more than ten (10) days prior to the date of determination is not available, another rate determined by RP to be comparable, in its reasonable discretion, will be used for this purpose).

"**Triggering CK-586 Financing**" means a CK-586 Financing that is not a Ring-Fenced CK-586 Financing and is not entered into with a Lender (or Royalty Pharma Investments 2019 ICAV).

"**UCC**" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

(bb) Schedule 1.1 of the Loan Agreement is hereby deleted and replaced by the schedule in Annex A hereto.

(cc) PART 1 of Schedule 2.2(c) of the Loan Agreement is hereby amended by amending and restating the parenthetical immediately above the table in PART 1 of such Schedule 2.2(c) in its entirety as follows: "(Applicable to Term Loans consisting of a Tranche 1 Advance, a Tranche 4 Advance, a Tranche 5 Advance, a Tranche 6 Advance or a Tranche 7 Advance (or any other Term Loan not consisting of a Tranche 2 Advance or a Tranche 3 Advance))".

SECTION 4 Conditions Precedents to Effectiveness of the Third Amendment and the Credit Extension in respect to the Tranche 6 Advance. On and as of the Third Amendment Effective Date when the following conditions shall have been satisfied, (i) this Third Amendment and the amendments set forth herein shall become effective and (ii) the conditions precedent to the Credit Extension in respect of the Tranche 6 Advance shall be deemed satisfied notwithstanding Section 3.2 of the Loan Agreement:

(a) Lender shall have received a counterpart signature page of this Third Amendment and each 2024 Transaction Document duly executed by Borrower and which are in full force and effect;

(b) Lender shall have received an executed Disbursement Letter in respect of the Tranche 6 Advance;

(c) Lender shall have received a duly executed original Promissory Notes in favor of Lender in respect of the Tranche 6 Advance;

(d) the representations and warranties set forth in Section 5 of this Third Amendment (and the certifications, representations and warranties in any certificates and other documents required to be delivered on the date hereof (or made (or deemed made) as of the date hereof) under this Section 4 and in any 2024 Transaction Documents) are true, accurate and complete;

(e) no default (including prior to giving effect to any grace or cure period) under any Loan Document or Event of Default shall have occurred and be continuing or result from Borrower entering into this Third Amendment;

(f) Lenders shall have received (i) the Operating Documents and good standing certificates of Borrower and its Subsidiaries that are Loan Parties certified by the Secretary of State (or equivalent agency) of Borrower's and such Subsidiaries' jurisdiction of organization or formation and each jurisdiction of organization or formation and such jurisdiction in which Borrower and each Subsidiary is qualified to conduct business, each as of a date no earlier than thirty (30) days prior to the Effective Date, (ii) resolutions of the board of directors (or comparable governing body) of the Borrower and its Subsidiaries that are Loan Parties authorizing the execution and delivery of this Third Amendment, the 2024 Transaction Documents and the other ancillary documents required to be delivered under this Third Amendment or any of the 2024 Transaction Documents and the performance thereby of all obligations hereunder or thereunder and the consummation of the other transactions contemplated by this Third Amendment or any 2024 Transaction Document, (iii) an incumbency certificate certifying as to the officers who will be executing and delivering (and who are authorized to execute and deliver) this Third Amendment, the 2024 Transaction Documents and the other ancillary documents required to be delivered under this Third Amendment or any of the 2024 Transaction Documents, and (iv) an officer's certificate of the Borrower and its Subsidiaries that are Loan Parties

duly executed and delivered by the President, Chief Executive Officer or Chief Financial Officer of the Borrower and any such Subsidiaries attaching the documents and items listed in the foregoing clauses of this Section 4(f) and certifying as to the truthfulness, correctness and completeness thereof;

(g) (i) Lenders shall have received a duly executed legal opinion of counsel to Borrower with respect to this Third Amendment, any Loan Documents entered into on or about the Effective Date, the 2024 DFA and any "Loan Documents" (as defined in the 2024 DFA) entered into on or about the Effective Date and the transactions contemplated hereby and thereby in form and substance satisfactory to the Lenders, and (ii) Royalty Pharma Investments 2019 ICAV shall have received a duly executed legal opinion of counsel to Borrower with respect to the 2024 Transaction Documents (other than the 2024 DFA and any "Loan Documents" (as defined in the 2024 DFA)) and the transactions contemplated thereby in form and substance satisfactory to the Lenders; and

(h) Lender shall have received a certificate of a Responsible Officer of Borrower and each of its Subsidiaries that are Loan Parties certifying, among other things, to (i) the conditions set forth in this Section 4 having been satisfied and (ii) Borrower and its Subsidiaries each being Solvent.

SECTION 5 Representations and Warranties. Borrower represents and warrants that the representations and warranties in Article 5 of the Loan Agreement (as amended by this Third Amendment) in any certificates and other documents required to be delivered on the date hereof (or made (or deemed made) as of the date hereof) under Section 4 and in any 2024 Transaction Documents are true, accurate and complete in all material respects on the Third Amendment Effective Date; provided, however that those representations and warranties expressly referring to a specific date are true, accurate and complete in all material respects as of such date; and provided, further that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text hereof or thereof.

SECTION 6 GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) **GOVERNING LAW. THIS THIRD AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.**

(b) **JURISDICTION; VENUE.**

(i) **EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS RESPECTIVE PROPERTY AND ASSETS, TO THE EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT OR FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN NEW YORK COUNTY, NEW YORK, AND ANY APPELLATE COURT THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS THIRD AMENDMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, AND BORROWER AND ITS SUBSIDIARIES HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREE THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH NEW YORK STATE COURT OR, TO THE**

FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. BORROWER AND ITS SUBSIDIARIES HEREBY AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LAW. EACH OF BORROWER AND ITS SUBSIDIARIES HEREBY SUBMITS TO THE EXCLUSIVE PERSONAL JURISDICTION AND VENUE OF SUCH NEW YORK STATE AND FEDERAL COURTS. BORROWER AND ITS SUBSIDIARIES AGREE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THAT PROCESS MAY BE SERVED ON BORROWER AND ITS SUBSIDIARIES IN THE SAME MANNER THAT NOTICES MAY BE GIVEN PURSUANT TO ARTICLE 10 OF THE LOAN AGREEMENT.

(ii) **EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS THIRD AMENDMENT IN ANY NEW YORK STATE OR FEDERAL COURT. EACH OF BORROWER AND ITS SUBSIDIARIES HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.**

SECTION 7 Miscellaneous.

(a) **No Novation**. This Third Amendment is not intended by the parties hereto to be, and shall not be construed to be, a novation of the Loan Agreement or any other Loan Document or an accord and satisfaction in regard thereto.

(b) **Reaffirmation**. Borrower acknowledges, agrees and reaffirms (i) that it is bound by all of the terms of the Loan Documents, and (b) that it is responsible for the full complete performance and payment of all Obligations. Furthermore, Borrower acknowledges, agrees and confirms that by entering into this Third Amendment, the Lenders do not, except as expressly set forth herein, waive or release any term or condition of any Loan Document or any of their rights or remedies under the Loan Documents or any applicable law or any of the obligations of Borrower thereunder.

(c) **Ratification**. The Loan Agreement, as modified hereby, and the obligations of Borrower thereunder and under the other Loan Documents, are hereby ratified and confirmed by Borrower and shall remain in full force and effect according to their terms.

(d) **No Waiver**. Except as expressly set forth herein, nothing contained herein shall be deemed to constitute a waiver of compliance with any term or condition contained in the Loan Agreement or any of the other Loan Documents or constitute a course of conduct or dealing among the parties. Except as expressly stated herein, the Lenders reserve all rights, privileges and remedies under the Loan Documents. Except as modified hereby, the Loan Agreement and other Loan Documents remain unmodified and in full force and effect. All references in the Loan Documents to the Loan Agreement shall be deemed to be references to the Loan Agreement as modified hereby.

(e) **Severability**. In case any provision of or obligation under this Third Amendment shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

(f) **Headings**. Headings and captions used in this Third Amendment are included for convenience of reference only and shall not be given any substantive effect.

(g) **Loan Document; Integration**. This Third Amendment constitutes a Loan Document. This Third Amendment, together with the other Loan Documents, incorporates all negotiations of the parties hereto with respect to the subject matter hereof and is the final expression and agreement of the parties hereto with respect to the subject matter hereof.

(h) **Counterparts**. This Third Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Third Amendment by signing any such counterpart. Delivery of an executed counterpart of this Agreement by telecopy or other electronic method of transmission shall be effective as an original and shall constitute a representation that an executed original shall be delivered.

(signature pages to follow)

IN WITNESS WHEREOF, the parties have executed this Third Amendment as of the date first written above.

BORROWER:

CYTOKINETICS, INCORPORATED,
a Delaware corporation

By: /s/ Robert I. Blum
Name: Robert I. Blum
Title: President & Chief Executive Officer

LENDER:

ROYALTY PHARMA DEVELOPMENT FUNDING, LLC
By: Royalty Pharma Holdings, Ltd., its Manager

By: /s/ George Lloyd
Name: George Lloyd
Title: Director

ANNEX A

Schedule 1.1
Commitments

Commitments Lender	**Type of Term Loan Commitment**	**Amount of Such Type of Term Loan Commitment**	**Percentage of Such Type of Term Loan Commitment**
ROYALTY PHARMA DEVELOPMENT FUNDING, LLC	Commitment to make Tranche 1 Advance	$50,000,000	100%
ROYALTY PHARMA DEVELOPMENT FUNDING, LLC	Tranche 2 Commitment	$0	100% [***EXPIRED***]
ROYALTY PHARMA DEVELOPMENT FUNDING, LLC	Tranche 3 Commitment	$0	100% [***EXPIRED***]
ROYALTY PHARMA DEVELOPMENT FUNDING, LLC	Tranche 4 Commitment	$75,000,000	100%
ROYALTY PHARMA DEVELOPMENT FUNDING, LLC	Tranche 5 Commitment	$100,000,000	100%
ROYALTY PHARMA DEVELOPMENT FUNDING, LLC	Commitment to make Tranche 6 Advance	$50,000,000	100%
ROYALTY PHARMA DEVELOPMENT FUNDING, LLC	Tranche 7 Commitment	$175,000,000	100%
Total	**Aggregate Term Loan Commitments**	**$450,000,000**	**100%**

Exhibit 10.4

[*] – CERTAIN INFORMATION IN THIS DOCUMENT HAS BEEN EXCLUDED PURSUANT TO REGULATION S-K, ITEM 601(B)(10). SUCH EXCLUDED INFORMATION IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

AMENDMENT NO. 1 TO REVENUE PARTICIPATION RIGHT PURCHASE AGREEMENT

This Amendment No. 1 To Revenue Participation Right Purchase Agreement, dated as of May 22, 2024 (this "Amendment"), is made and entered into by and between **Cytokinetics, Incorporated**, a Delaware corporation (the "Seller"), and **Royalty Pharma Investments 2019 ICAV**, an Irish collective asset-management vehicle (the "Buyer").

RECITALS

WHEREAS, the Seller and the Buyer entered into that certain Revenue Participation Right Purchase Agreement, dated as of January 7, 2022 (the "Original Agreement" and, as amended by this Amendment, the "Agreement"), whereby the Buyer purchased the Revenue Participation Right (the "Original Participation Right") from the Seller;

WHEREAS, the Seller and the Buyer (or an Affiliate thereof, as applicable) desire to enter into on the date hereof that certain 2024 Development Funding Loan Agreement between the Seller and Royalty Pharma Development Funding, LLC ("RPDF"), that certain CK-586 Revenue Participation Right Purchase Agreement between the Seller and the Buyer (the "CK-586 Agreement") and that certain Third Amendment and Consent to the Development Funding Loan Agreement between the Seller and RPDF (collectively, the "Other 2024 Transaction Documents");

WHEREAS, the parties intend to close the transactions contemplated by this Amendment and the Other 2024 Transaction Documents substantially concurrently, whereby the closing of this Amendment will occur immediately with the concurrent closings of the transactions contemplated by the Other 2024 Transaction Documents (the "Other 2024 Closings"); and

WHEREAS, in consideration of entry into the Other 2024 Transaction Documents, the parties hereto desire to make certain modifications to the Original Agreement as set forth in this Amendment, including to amend the definition of Product Royalty Rate to provide for a revised Royalty amount and, as a result thereof, a modified Revenue Participation Right (the incremental difference between the Revenue Participation Right as a result of this Amendment and the Original Participation Right, the "Incremental Revenue Participation Right").

NOW THEREFORE, in consideration of the representations, warranties, covenants and agreements set forth herein and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Seller and the Buyer hereby agree as follows:

AGREEMENT

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Original Agreement.

2. Seller's Representations and Warranties. The Seller represents and warrants to the Buyer that as of the date hereof (and giving effect to the amendments to the Original Agreement provided in Section 4 of this Amendment):

a. Authorization. The Seller has all requisite corporate power and authority to execute, deliver and perform its obligations under this Amendment. The execution, delivery and performance of this Amendment, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary corporate action on the part of the Seller.

b. Enforceability. This Amendment has been duly executed and delivered by an authorized officer of the Seller and constitutes the valid and binding obligation of the Seller, enforceable against the Seller in accordance with its terms, except as may be limited by applicable Bankruptcy Laws or by general principles of equity (whether considered in a proceeding in equity or at law).

c. No Conflicts. The execution, delivery and performance by the Seller of this Amendment and the consummation of the transactions contemplated hereby do not and will not (i) contravene or conflict with the certificate of incorporation or bylaws of the Seller, (ii) contravene or conflict with or constitute a default under any law or Judgment binding upon or applicable to the Seller except for such contraventions, conflicts, breaches or defaults that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect or contravene or conflict with or constitute a material default under any material agreement binding upon or applicable to the Seller.

d. No Liens; Title to Modified Revenue Participation Right. Other than Liens in favor of the Buyer and Permitted Lien, none of the Product Rights is subject to any Lien and none of the assets covered by the Modified Back-Up Security Interest are subject to any Lien. Upon the Amendment Closing, the Buyer will have acquired good and marketable title to the Incremental Revenue Participation Right, free and clear of all Liens (other than Liens in favor of the Buyer).

e. Other Indication. The Seller is not presently developing, and has no intention to develop, the Product in any Other Indication, and the Product has not achieved proof of concept results in a Clinical Trial in any Other Indication.

f. Bring Down of Original Agreement Representations and Warranties. The Seller represents and warrants that the representations and warranties of the Seller made in the following Sections of the Original Agreement are true and correct (taking into account the matters disclosed in the Disclosure Schedule, as amended pursuant to this Amendment) as though such representations and warranties were made as of the date hereof: Sections 3.1(a), (g), (h), clauses (ii) through (viii) of (j) (except as otherwise disclosed in Schedules 3.1(j)(vii)(b), 3.1(j)(ii), 3.1(j)(vi), and 3.1(j)(iii) attached hereto with respect to the corresponding section), (k)(except as disclosed in Schedule 3.1(k) attached hereto), (l), (m), (n), (o) and (p).

g. Compliance with Original Agreement. The Seller is in compliance, in all material respects, with its obligations under the Original Agreement.

3. Buyer's Representations and Warranties. The Buyer represents and warrants to the Seller that as of the date hereof:

a. Authorization. The Buyer has the requisite corporate or analogous right, power and authority to execute, deliver and perform its obligations under this Amendment. The execution, delivery and performance of this Amendment, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary action on the part of the Buyer.

b. Enforceability. This Amendment has been duly executed and delivered by an authorized person of the manager of the Buyer and constitutes the valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, except as may be limited by applicable Bankruptcy Laws or by general principles of equity (whether considered in a proceeding in equity or at law).

c. No Conflicts. The execution, delivery and performance by the Buyer of this Amendment and the consummation of the transactions contemplated hereby do not and will not (i) contravene or conflict with the organizational documents of the Buyer, (ii) contravene or conflict with or constitute a default under any law or Judgment binding upon or applicable to the Buyer except for such contraventions, conflicts, breaches or defaults that, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the ability of the Buyer to enter into and to perform its material obligations under this Amendment, or (iii) contravene or conflict with or constitute a material default under any material agreement binding upon or applicable to the Buyer.

d. Bring Down of Original Agreement Representations and Warranties. The Buyer represents and warrants that the representations and warranties of the Buyer made in the following Sections of the Original Agreement are true and correct as though such representations and warranties were made as of the date hereof: Sections 3.2(a), (g), (h) and (i).

e. Compliance with Original Agreement. The Buyer is in compliance, in all material respects, with its obligations under the Original Agreement.

4. Amendments to the Original Agreement. Subject to satisfactions of all conditions under Section 6 of this Amendment on the date hereof, the Original Agreement shall be amended as follows:

(A) The following defined terms shall be added to Section 9.1 of the Original Agreement in the appropriate alphabetical order:

"First Amendment" means that certain Amendment No. 1 to Revenue Participation Right Purchase Agreement, by and between the Seller and the Buyer, dated as of May 22, 2024.

"Modified Back-Up Security Interest" has the meaning given to such term in the First Amendment.

"Original Participation Right" has the meaning given to such term in the First Amendment.

(B) The following defined terms shall amend, restate and replace such terms as they were defined in Section 9.1 of and used throughout the Original Agreement (including, for the avoidance of doubt, in other defined terms that make reference to, directly or indirectly, such term as amended hereby) except as otherwise provided in subsection (D) below:

"Knowledge of the Seller" means the actual knowledge of [*], after reasonable due inquiry.

"Product Royalty Rate" means the percentage of annual worldwide Net Sales of the Product during a calendar year that is applicable in accordance with the table immediately below:

Annual Worldwide Net Sales	Product Royalty Rate
Less than or equal to $5,000,000,000	4.50%
Greater than $5,000,000,000	1.00%

Notwithstanding the foregoing, on a country-by-country basis, the Product Royalty Rate applicable to Net Sales by any Licensee in any country after Loss of Market Exclusivity in such country shall not exceed the royalty rate payable by such Licensee to the Seller for such Net Sales in such country.

(C) The defined terms "Final Determination Date", "Overpaid Royalty" and "Scheduled Funding Date" are hereby deleted in their entirety.

(D) Notwithstanding subsection (B) above, references to "Revenue Participation Right," and other defined terms that include, directly or indirectly, the term Revenue Participation Right, for purposes of Article 1, Article 2, Article 4 and Sections 3.1(i) and 3.3 of the Original Agreement, shall be deemed to reference the Original Participation Right.

(E) Each reference to "Back-Up Security Interest" in Section 3.3 and 5.10 of the Original Agreement and in the definitions of "Acceptable Intercreditor Agreement" and "Material Adverse Effect" in Section 9.1 of the Original Agreement are hereby deleted and replaced with "Modified Back-Up Security Interest."

(F) Section 3.1(n) is amended and restated as follows:

"(i) Brokers' Fees. Other than the fees payable to Evercore Group LLC, there is no investment banker, broker, finder, financial advisor or other intermediary who has been retained by or is authorized to act on behalf of the Seller who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

(G) Section 5.2(d) is amended and restated as follows:

"(d) The Seller shall be permitted to make prepayments of the Royalty hereunder which shall be credited to future Royalty Payments in such order as directed by the Seller in connection with any such prepayment."

5. Amendment Closing.

a. *Purchase, Sale and Assignment*. Upon the terms and subject to the conditions of this Amendment, on the date hereof, in consideration of and exchange for the Other 2024 Closings, the Seller shall sell, transfer, assign and convey to the Buyer, and the Buyer shall purchase, acquire and accept from the Seller, all of the Seller's right, title and interest in and to the Incremental Revenue Participation Right free and clear of all Liens (other than Liens in favor of the Buyer). For the avoidance of doubt, the Incremental Revenue Participation Right does not represent any right, title or interest in the Intellectual Property Rights. Notwithstanding any provision in this Amendment to the contrary or any other agreement between the parties or their Affiliates, the Buyer is only agreeing, on the terms and conditions set forth in this Amendment, to purchase, acquire and accept the Incremental Revenue Participation Right and is not assuming any liability or obligation of the Seller of whatever nature, whether presently in existence or arising or asserted hereafter.

b. *Closing*. The closing of this Amendment (the "Amendment Closing") shall take place remotely by exchange of signatures on the date hereof subject to the conditions set forth in Sections 5(d) and 5(e) having been satisfied, or at such other place, time and date as the parties hereto may mutually agree.

c. *True Sale*. It is the intention of the parties hereto that the sale, transfer, assignment and conveyance of the Incremental Revenue Participation Right contemplated by this Amendment be, and is, a true, complete, absolute and irrevocable sale, transfer, assignment and conveyance by the Seller to the Buyer of all of the Seller's right, title and interest in and to the Incremental Revenue Participation Right. Neither the Seller nor the Buyer intends the transactions contemplated by this Amendment to be, or for any purpose characterized as, a loan from the Buyer to the Seller, a financing transaction or a borrowing. It is the intention of the parties hereto that the beneficial interest in and title to the Incremental Revenue Participation Right and any "proceeds" (as such term is defined in the UCC) thereof shall not be part of the Seller's estate in the event of the filing of a petition by or against the Seller under any Bankruptcy Laws. The Seller hereby waives, to the maximum extent permitted by applicable law, any right to contest or otherwise assert that this Amendment does not constitute a true, complete, absolute and irrevocable sale, transfer, assignment and conveyance by the Seller to the Buyer of all of the Seller's right, title and interest in and to the Incremental Revenue Participation Right under applicable laws, which waiver shall, to the maximum extent permitted by applicable laws, be enforceable against the Seller in any bankruptcy or insolvency proceeding relating to the Seller. Accordingly, the Seller shall treat the sale, transfer, assignment and conveyance of the Incremental Revenue Participation Right as a sale of "accounts" or "payment intangibles" (as appropriate) in accordance with the UCC, and the Seller hereby authorizes the Buyer to file financing statements (and continuation statements with respect to such financing statements when applicable) naming the Seller as the debtor and the seller and the Buyer as the secured party and the buyer in respect of the Incremental Revenue Participation Right. Not in derogation of the foregoing statement of the intent of the parties hereto in this regard, and for the purposes of providing additional assurance to the Buyer in the event that, despite the intent of the parties hereto, the sale, transfer, assignment and conveyance contemplated hereby is hereafter held not to be a sale, the Seller does hereby grant to the Buyer, as security for the payment of amounts to the Buyer equal to $25,000,000 (including a market rate of return thereon) and all other obligations of the Seller hereunder, less all Royalty Payments received by the Buyer pursuant to the Agreement in respect of such Incremental Revenue Participation Right, a security interest in and to all right, title and interest in, to and under the Incremental Revenue Participation Right, the Royalty, the Royalty Payments (including, for the avoidance of doubt, accounts and payment intangibles (each as defined in the UCC) of the Seller that comprise the Incremental Revenue Participation Right or Royalties or "proceeds" (as defined in the UCC) thereof) and the Product Assets and all "proceeds" (as defined in the UCC) of any of the foregoing whether now owned or existing or hereafter acquired or arising (the "Incremental Back-Up Security Interest" and together with the Back-Up Security Interest under the Original Agreement, the "Modified Back-Up Security Interest"), and the Seller does hereby authorize the Buyer, from and after the date hereof, to file such financing statements (and continuation statements with respect to such financing statements when applicable) in such manner and such jurisdictions as are necessary or appropriate to perfect the Incremental Back-Up Security Interest; provided that such Incremental Back-Up Security Interest shall be terminated without any action or notice of any party upon termination of the Agreement as provided in Section 7.1, Section 7.2 or Section 7.3 thereof. Following the termination of the Agreement as provided in Section 7.1, Section 7.2 or Section 7.3 thereof, upon the Seller's request, the Buyer shall, at the expense of the Seller, file a UCC-3 termination statement terminating the security interest granted in this Section.

d. The obligations of the Buyer to consummate the transactions contemplated hereunder on the date hereof are subject to the satisfaction or waiver, at or prior to the date hereof, of each of the following conditions precedent:

i. The Seller shall have delivered to the Buyer the Seller's duly executed Other 2024 Transaction Documents;

ii. The Seller shall have delivered to the Buyer the Seller's duly executed bill of sale evidencing the sale, transfer, assignment and conveyance of the Incremental Revenue Participation Right substantially in the form agreed in the Original Agreement;

iii. The Seller shall have delivered to the Buyer the legal opinions of Cooley LLP and Sullivan and Worcester LLP, as corporate counsel to the Seller and special counsel to the Seller, respectively, in substantially the forms agreed in the Original Agreement; and

iv. The Other 2024 Closings shall have occurred or occur simultaneously with consummation of the transactions hereunder.

e. The obligations of the Seller to consummate the transactions contemplated hereunder on the date hereof are subject to the satisfaction or waiver, at or prior to the date hereof, of each of the following conditions precedent:

i. The Buyer shall have delivered to the Seller the Buyer's and RPDF's duly executed Other 2024 Transaction Documents (as applicable); and

ii. The Other 2024 Closings shall have occurred or occur simultaneously with consummation of the transactions hereunder.

6. Disclosures; Public Announcement. The parties shall agree upon the Press Release to be issued announcing this Amendment and the Other 2024 Transaction Documents. Except for the Press Release, the Seller's Current Report on Form 8-K describing the material terms of this Agreement, the Other 2024 Transaction Documents and the transactions contemplated by this Agreement and the Other 2024 Transaction Documents or any other public announcement using substantially the same disclosure as such Press Release or Form 8-K or any other public disclosure permitted under this Section 6, neither the Buyer nor the Seller shall, and each party hereto shall cause its respective Representatives, Affiliates and Affiliates' Representatives not to, issue a press release or other public announcement or otherwise make any public disclosure with respect to this Amendment or the purchase of the Revenue Participation Right (including the Incremental Revenue Participation Right) without the prior written consent of the other party hereto (which consent shall not be unreasonably withheld or delayed), except as may be required by applicable law, regulation or stock exchange rule (in which case the party hereto required to make the press release or other public announcement or disclosure shall allow the other party hereto reasonable time to comment on such press release or other public announcement or disclosure in advance of such issuance); provided that (a) no review or consent shall be required with respect to disclosures by either party hereto otherwise previously approved pursuant to this Section 6 and (b) notwithstanding anything herein to the contrary, each party hereto may, without the review or consent of the other party hereto, disclose (and nothing herein shall be construed to restrict either party hereto from disclosing) the Purchase Price and the amount and nature of the Revenue Participation Right (including the Incremental Revenue Participation Right) (and related accounting disclosures of the transactions contemplated hereby) in such party's periodic reports and financial statements.

7. Construction; Effect of Amendment. On and after the date hereof and subject to the execution and delivery of (i) this Amendment by the parties hereto and (ii) each Other 2024 Transaction Document by the applicable parties thereunder, this Amendment shall become effective and be deemed a part of and shall take precedence over and supersede any provisions to the contrary contained in the Original Agreement. Except as expressly modified by this Amendment, all of the provisions of the Original Agreement that are not in conflict with the terms of this Amendment shall remain in full force and effect. All references to "Agreement" in the Original Agreement and in this Amendment shall be deemed to refer to the Agreement as amended by this Amendment and the parties hereby agree that the provisions of Article 6 in the Agreement shall apply to any breaches of any representations and warranties (in each case, when made) or any breach of any of the covenants or agreements in each case in this Amendment (without duplication of any recovery of a party for Losses under the Agreement). The parties acknowledge and agree that the Seller validly sold, transferred, assigned and conveyed to the Buyer, and the Buyer purchased, acquired and accepted from the Seller, all of the Seller's right, title and interest in and to the Original Participation Right on the terms and subject to the conditions of the Original Agreement, and nothing herein is intended to sell, transfer, assign or convey any such rights in duplicate. For clarity, the purpose of this Amendment is to sell, transfer, assign and convey from the Seller to the Buyer the Incremental Participation Right, and to include the Incremental Participation Right within the scope of the Revenue Participation Right under the Agreement, with the limited exceptions identified herein.

8. Further Assurances. The Seller and the Buyer agree to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be reasonably necessary in order to give effect to the transactions, amendments and modifications contemplated by this Amendment.

9. Governing Law. This Amendment shall be governed by, and construed in accordance with the laws of the State of New York without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any other jurisdiction.

10. Counterparts; Notice. This Amendment may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Copies of executed counterparts transmitted by telecopy, facsimile or other similar means of electronic transmission, including "***PDF***", shall be considered original executed counterparts, provided receipt of such counterparts is confirmed. The notice parties for purposes of Section 9.4 of the Agreement shall be those parties identified in Section 9.4 of the CK-586 Agreement**.**

[**Signature Page Follows**]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their respective representatives thereunto duly authorized as of the date first above written.

SELLER:

CYTOKINETICS, INCORPORATED

By: /s/ Robert I. Blum
Name: Robert I. Blum
Title: President & Chief Executive Officer

BUYER:

ROYALTY PHARMA INVESTMENTS 2019 ICAV

By: RP Management, LLC, its Manager and lawfully appointed attorney

By: /s/ George Lloyd
Name: George Lloyd
Title: EVP & Chief Legal Officer

Exhibit 10.5

[*] – CERTAIN INFORMATION IN THIS DOCUMENT HAS BEEN EXCLUDED PURSUANT TO REGULATION S-K, ITEM 601(B)(10). SUCH EXCLUDED INFORMATION IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

2024 DEVELOPMENT FUNDING LOAN AGREEMENT

THIS 2024 DEVELOPMENT FUNDING LOAN AGREEMENT (as the same may from time to time be amended, modified, supplemented or restated, this "**Agreement**") dated as of May 22, 2024 (the "**Effective Date**") among ROYALTY PHARMA DEVELOPMENT FUNDING, LLC, a Delaware limited liability company ("**RP**" and a Lender and together with RP's affiliates, successors and/or assignees that become a Lender or lenders hereunder, collectively but not jointly, the "**Lenders**") and CYTOKINETICS, INCORPORATED, a Delaware corporation with offices located at 350 Oyster Point Boulevard, South San Francisco, CA 94080 ("**Company**"), provides the terms on which the Lenders shall lend or otherwise provide financing to Company and Company shall repay the Lenders.

The lending opportunity contemplated hereby is being provided in connection with the parties' (or their Affiliates') entry into the Concurrent Agreements and the substantially concurrent consummation of the transactions contemplated hereby and thereby (the "**Concurrent Transactions**"). In consideration of the representations, warranties, covenants and other agreements set forth herein and in connection with the Concurrent Transactions, the parties agree as follows:

ARTICLE 1

ACCOUNTING AND OTHER TERMS

Section 1.1 Accounting Terms and Principles. Accounting terms not defined in this Agreement shall be construed in accordance with GAAP. Calculations and determinations must be made in accordance with GAAP. Notwithstanding any other provision contained in this Agreement or in any other Loan Document, all terms of an accounting or financial nature used herein and in the other Loan Documents shall be construed, and all computations of amounts referred to herein and in the other Loan Documents shall be made, without giving effect to (i) any election under Statement of Financial Accounting Standards No. 159 (Codification of Accounting Standards 825-10) to value any indebtedness or other liabilities of Company or any of its Subsidiaries at "fair value," as defined therein, and (ii) any changes to the GAAP accounting model for leases of the type described in Financial Accounting Standards Board Accounting Standards Update No. 2016-02 (February 2016), Leases (Topic 842) ("**ASU 2016-02**") for fiscal years ending after December 18, 2018. For the avoidance of doubt, all obligations of any person that are or would be characterized as operating lease obligations in accordance with GAAP prior to the applicability of ASU 2016-02 (whether or not such operating lease obligations were in effect on such date) shall continue to be accounted for as operating lease obligations (and not as capital lease obligations) for purposes of this Agreement regardless of any change in GAAP pursuant to ASU 2016-02 that would otherwise require such obligations to be recharacterized (on a prospective or retroactive basis or otherwise) as capital lease obligations.

Section 1.2 Capitalized Terms and Definitions. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Article 14. Terms used herein (whether capitalized or not) that concern the Collateral (or the creation, perfection, priority, protection or enforcement of Liens thereon) that are not otherwise defined herein shall have the meaning assigned thereto in Article 8 or Article 9 (as applicable) of the UCC if such terms are so assigned a meaning in such Articles of the UCC.

Section 1.3 Interpretation. All references to "**Dollars**" or "**$**" are United States Dollars, unless otherwise noted. In this Agreement and the other Loan Documents, unless the context otherwise requires, all words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties requires and the verb shall be read and construed as agreeing with the required word and pronoun. The division of this Agreement and the other Loan Documents into Articles and Sections and the use of headings and captions is for convenience of reference only and shall not modify or affect the interpretation or construction of this Agreement or any of its provisions. The words "herein," "hereof," "hereunder," "hereinafter" and "hereto" and words of similar import refer to this Agreement (or other applicable Loan Document) as a whole and not to any particular Article or Section hereof (or thereof). The term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The use in any of the Loan Documents of the word "include" or "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. References to a specified Article, Exhibit, Section or Schedule shall be construed as a reference to that specified Article, Exhibit, Section or Schedule of this Agreement (or other applicable Loan Document). Unless specifically stated otherwise, any reference to any of the Loan Documents means such document as the same shall be amended, restated, supplemented or otherwise modified and from time to time in effect. Unless otherwise specified herein or therein, all terms defined in any Loan Document shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto or thereto. The meanings of defined terms shall be equally applicable to the singular and plural forms of the defined terms. References to any statute or regulation may be made by using either the common or public name thereof or a specific cite reference and are to be construed as including all statutory and regulatory provisions related thereto or consolidating, amending, replacing, supplementing or interpreting the statute or regulation, and any reference to any law or regulation, shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time. Whenever any reference is made in any Loan Document to any Person such reference shall be construed to include such Person's permitted successors and permitted assigns. Unless otherwise specified, all references in any Loan Document to times of day shall be references to New York City, New York time. The terms "shall" and "will" are used interchangeably in this Agreement and the other Loan Documents and mean for Company and its Subsidiaries to have an absolute obligation to perform or do (or not perform or not do) a certain action or event, as the context may require. Any reference to "payment in full", "paid in full", "repaid in full", "prepaid in full", "redeemed in full" or any other term or word of similar effect used in this Agreement or any other Loan Document with respect to the Loans or the Obligations shall mean all Loans and all Obligations (in each case, including, without limitation, the Applicable Payment Amount (and, if in Scenario 1, any Royalty payment amount) and all other amounts other than inchoate indemnity and expense reimbursement obligations that have not yet been asserted) have been repaid in full in cash and have been fully performed. The payment, prepayment, redemption, defeasance, repurchase or repayment of any principal, interest, fees, Applicable Payment Amount, Royalty payment amount, other amounts and/or other Obligations under this Agreement or the other Loan Documents shall be made in cash in Dollars unless expressly stated otherwise herein or therein.

Section 1.4 Business Day Adjustment. Except as otherwise expressly stated herein or in any other Loan Document, if the day by which any payment or other performance is due to be made is not a Business Day, that payment or performance shall be made by the immediately preceding Business Day.

Section 1.5 Officers. Any document, agreement or instrument delivered under the Loan Documents that is signed by a Responsible Officer or any other officer of Company shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of Company and such Responsible Officer or other officer shall be conclusively presumed to have acted on behalf of Company in such person's capacity as a Responsible Officer or other officer of Company and not in any individual capacity.

ARTICLE 2

LOANS AND TERMS OF PAYMENT

Section 2.1 Promise to Pay. Company hereby unconditionally promises to pay Lender, the outstanding principal amount of all Credit Extensions and accrued and unpaid interest thereon, the Applicable Payment Amounts and any other amounts and Obligations due hereunder or under the other Loan Documents as and when due in accordance with this Agreement or such other Loan Document, as applicable.

Section 2.2 Loans.

(a) Availability. Subject to the terms and satisfaction of the applicable conditions in this Agreement, the Lenders will, subject to the applicable conditions in this Agreement, severally (and not jointly) make a loan to Company on the Effective Date in an aggregate amount of $100,000,000.00 (the "**Loan**"). After repayment of the Loan, the Loan may not be re-borrowed.

(b) Repayment. Except as otherwise expressly specified in Section 2.2(c) and Section 2.2(d), with respect to the Loan made by the Lenders, Company shall make (i) in Scenario 1, (A) quarterly cash payments (on or prior to the applicable Quarterly Deadline) commencing with the Quarterly Deadline for the calendar quarter in which FDA Approval occurs (provided that with respect to the calculation of Royalty for such calendar quarter, for Net Sales made by the counterparty to any out-license for which payment is received by the Company fewer than [*] calendar days prior to the Quarterly Deadline that is not the result of an agreement by the Company or any of its Affiliates with such counterparty to intentionally contravene the requirement for such Net Sales to be included in such Royalty payment calculation inconsistent with ordinary course of dealings and customary trade practices, such Net Sales shall be included in the calculation of the Royalty for the next calendar quarter (the resulting Royalty payment, the "**Catch Up Royalty Payment**"); provided further that, notwithstanding anything to the contrary in this Agreement or any other Loan Document, to the extent a situation occurs where the Royalty is (and future Royalty payments and Scheduled Payments are) terminated with respect to any payment of the Obligations made (such as, for example, a Payment upon Change of Control pursuant to Section 2.8), solely to the extent the Lenders have not been fully compensated by the Floor Amount specified in Schedule 2.2(b) after taking into account the full amount of the Catch Up Royalty Payment, such Catch Up Royalty Payment with respect to such Net Sales shall continue to be owed, due and payable by Company to the Lenders for the next calendar quarter on or prior to the Quarterly Deadline regardless of any such payment of the Obligations, and this Agreement and the other Loan Documents shall remain in full force and effect until such Catch Up Royalty Payment is made in cash by Company to the Lenders), in an amount equal to the amounts stated on Schedule 2.2(b) attached hereto for the applicable calendar quarter, and (B) (y) a cash payment of $75,000,000 on the date that is ten (10) Business Days after FDA Approval, and (z) a cash payment of $25,000,000 on the date of the first anniversary of FDA Approval, (ii) in Scenario 2, 18 equal quarterly cash payments on the last Business Day of each calendar quarter totaling 237.5% of the principal amount of the Loan commencing on March 31, 2030, (iii) in Scenario 3, 22 equal quarterly cash payments on the last Business Day of each calendar quarter totaling 227.5% of the principal amount of the Loan commencing on September 30, 2028, and (iv) in Scenario 4, 22 equal quarterly cash payments on the last

Business Day of each calendar quarter totaling 227.5% of the principal amount of the Loan commencing on September 30, 2026 (all of the required payments pursuant to this clause (b), including all Royalty payments (including Catch Up Royalty Payments, Scenario 1 Royalty Payments and future Royalty payments), the "**Scheduled Payments**"). The Loan may only be prepaid, paid or repaid in accordance with Sections 2.2(b), 2.2(c), 2.2(d) or 2.8. Together with each quarterly cash payment made in Scenario 1, the Company shall provide RP with a certificate (which each such certificate shall be deemed a Loan Document) duly executed by a Responsible Officer of the Company certifying as to the truthfulness, correctness and completeness of (and including) (A) a detailed calculation of Net Sales (including deductions from gross sales to Net Sales), (B) a detailed calculation of the Royalty, and (C) for the first eighteen (18) quarterly payments under Scenario 1, whether the Royalty or the Floor Amount specified in Schedule 2.2(b) is due for such quarter (with respect to this Clause (C), subject to the provisos set forth in Section 2.2(b)(i)(A) above).

(c) Mandatory Payments. (i) If the Loans are accelerated following the occurrence of an Event of Default pursuant to Section 9.1(a), other than an Event of Default described in Section 8.5, or (ii) if any or all of the loans and other obligations (including, without limitation, the "Obligations" (as defined in the 2022 DFA) under the 2022 DFA are voluntarily prepaid or paid, defeased or repurchased early (whether pursuant to Section 2.2(e) thereof or otherwise and regardless of whether all of the requirements set forth in Section 2.2(e) thereof are fully satisfied), Company shall immediately pay to Lenders, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal the Regular Default Payment with respect to the Loan. If the Company is in Scenario 1, then in addition to any such acceleration, prepayment, payment, defeasance or repurchase described in the foregoing sentence, the Company shall make True-Up Payments and, without duplication, subsequent Royalty payments to the Lenders each calendar quarter on or prior to the Quarterly Deadline. If the Loan is accelerated following the occurrence of an Event of Default described in Section 8.5, Company shall immediately pay to the Lenders, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal the Specified Default Payment with respect to the Loan.

(d) Voluntary Prepayment of Loans. Company may at any time prepay all (but not less than all) of the Loan advanced by the Lenders under this Agreement, so long as (i) Company provides written notice to the Lenders of Company's election to prepay all of the outstanding Loans at least ten (10) Business Days prior to such prepayment (the date of such prepayment, the "**Prepayment Date**"), (ii) the Company is in Scenario 1, Scenario 2, Scenario 3 or Scenario 4, and (iii) Company pays the Final Payment to Lenders on the date of prepayment indicated in such notice. The prepayment notice delivered by Company pursuant to the immediately preceding sentence shall be irrevocable; provided that such prepayment notice may state that such prepayment notice is conditioned upon the effectiveness of other transactions or events specified therein, in which case such notice may be permanently revoked by Company (by written notice to the Lenders on or prior to the specified effective date) if such condition is not satisfied (and Company certifies in writing thereto). With respect to Scenario 2, Scenario 3 and Scenario 4, upon payment of the Final Payment by Company, Company's obligations to pay any Scheduled Payments shall be deemed satisfied. If the Company is in Scenario 1, then in addition to the payment of the Final Payment by Company, Company shall make True-Up Payments and, without duplication, subsequent Royalty payments to the Lenders each calendar quarter on or prior to the Quarterly Deadline.

Section 2.3 Payment of Interest on the Credit Extensions.

(a) Interest Rate. Subject to Section 2.3(b), the principal amount outstanding under the Loans shall accrue interest, which interest amount is included in Applicable Payment Amounts, as applicable, and which interest shall be payable, earned and applied as set forth in Sections 2.2(b), 2.2(c), and 2.2(d). Interest shall accrue on the Loan commencing on, and including, the Funding Date of the Loan, and shall accrue on the principal amount outstanding under the Loan through and including the day on which the Loan is paid in full.

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, all Obligations (other than Royalty payments not yet due and payable for calendar quarters occurring thereafter) shall accrue interest at a rate equal to 4% over the Prime Rate (the "**Default Rate**"); provided that, solely in the case of an Event of Default for the violation of any covenant in Article 6 (other than Sections 6.1(a), 6.2(a)(i), 6.2(a)(ii), 6.2(a)(iii) and 6.4, the last sentence of Section 6.9 and Section 6.11), the Default Rate shall accrue instead upon written notice from a Lender following such Event of Default. Notwithstanding anything to the contrary in this Agreement or any other Loan Document and for the avoidance of doubt, the Default Rate, if applicable pursuant to this Section 2.3(b), shall accrue (and be in addition to) to any interest which is included in Applicable Payment Amounts. Payment or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of any Lender.

(c) Payments. Except as otherwise expressly provided herein, all payments by Company under the Loan Documents shall be made to the respective Lender to which such payments are owed, at such Lender's office in immediately available funds on the date specified herein. Payments of principal and/or interest received after 12:00 noon New York time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment is due the immediately preceding Business Day. All payments to be made by Company hereunder or under any other Loan Document, including payments of principal and interest, and all fees, expenses, indemnities and reimbursements, shall be made without set-off, recoupment or counterclaim, in lawful money of the United States and in immediately available funds. All payments of any Obligations under the Loan Documents (including, without limitation, any Obligations) shall be made to [*].

Section 2.4 Promissory Notes; Note Register.

(a) Each Loan shall be evidenced by a separate Promissory Note in the form attached as Exhibit A hereto (each a "**Promissory Note**"), and shall be repayable as set forth in this Agreement. Company irrevocably authorizes each Lender to make or cause to be made, at the time of receipt of any payment of principal on such Lender's Promissory Note, an appropriate notation on the applicable Promissory Note reflecting the receipt of such payment. The outstanding amount of each Loan set forth on the applicable Promissory Note shall be prima facie evidence of the principal amount thereof owing and unpaid to such Lender, but the failure to record, or any error in so recording, any such amount on such Lender's Promissory Note shall not limit or otherwise affect the obligations (including, without limitation, the Obligations) of Company under any Promissory Note or any other Loan Document to make payments of principal of or interest on, and any other Obligations (including, without limitation, the Applicable Payment Amount) owed under, any Promissory Note when due. Upon receipt of an affidavit of an officer of a Lender as to the loss, theft, destruction, or mutilation of its Promissory Note**,** Company shall issue, in lieu thereof, a replacement Promissory Note in the same principal amount thereof and of like tenor. Upon any assignment or transfer of any Promissory Note by a Lender, upon such Lender's (or such assignee's or transferee's) request, Company shall issue a new Promissory Note reflecting the assigned or transferred interest and a separate new Promissory Note covering any interest remaining with the assigning or transferring Lender.

(b) Company will maintain at all times at its principal executive office a register for the Promissory Notes in which it shall record the name and address of the Person or Persons in whose name the Promissory Notes have been issued (including the name and address of each transferee of one or more Promissory Notes) and the principal amount of the Promissory Notes held by such Person or Persons (the "**Note Register**"). The Register shall be available for inspection by RP or any Lender at any reasonable time and from time to time upon reasonable prior notice. Notwithstanding anything to the contrary contained herein, the Promissory Notes are registered obligations and the right, title, and interest of each Lender and its assignees in and to such Promissory Notes shall be transferable only upon notation of such transfer in the Note Register. The Promissory Notes shall only evidence a Lender's or its assignee's right, title and interest in and to the related Promissory Notes, and in no event is any such Promissory Note to be considered a bearer instrument or obligation. For the avoidance of doubt, the foregoing provisions are intended to comply with the registration requirements in Treasury Regulations Section 5f.103-1(c), so that the Promissory Notes are considered to be issued in "registered form" within the meaning of such regulations, and all parties hereto shall construe the provisions of this Agreement to ensure that the Promissory Notes will be considered to have been so issued.

(c) Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Company, maintain a register on which it enters the name and address of each participant and the principal amounts and stated interest of each participant's interest in the obligations under the Loan Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any participant or any information relating to a participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

Section 2.5 Fees and Expenses. Company shall pay to each Lender:

(a) Applicable Payment Amount. The Lender's Pro Rata Share of the Applicable Payment Amount, when due hereunder. The parties hereto hereby acknowledge and agree that, in light of the impracticality and extreme difficulty of ascertaining actual damages, the Final Payment Make Whole Amount, Payment upon Change of Control Make Whole Amount, the Regular Default Payment Make Whole Amount, and the Specified Default Payment Make Whole Amount (which comprise a portion of the Final Payment, Payment upon Change of Control, the Regular Default Payment, and the Specified Default Payment respectively) shall constitute liquidated damages and are each a reasonable calculation of the actual damages that would be suffered by the Lenders as a result of any prepayment, early repayment or acceleration, as applicable, of the Loan and are each intended to compensate the Lenders for, among other damages, the loss of yield and reinvestment costs. The parties hereto hereby further acknowledge and agree that the Lenders would not have entered into this Agreement, and the Lenders would not have provided the Loan and would not have made any Loan, without Company agreeing to pay the Applicable Payment Amount (including, without limitation, Final Payment Make Whole Amount, Payment upon Change of Control Make Whole Amount, the Regular Default Payment Make Whole Amount, and the Specified Default Payment Make Whole Amount, as applicable) in accordance with the provisions of this Agreement. The parties hereto hereby further acknowledge and agree that neither the Final Payment Make Whole Amount, Payment upon Change of Control Make Whole Amount, the Regular Default Payment Make Whole Amount nor the Specified Default Payment Make Whole Amount is intended to act as a penalty or to punish Company for any prepayment, early repayment or acceleration of any Loan. Notwithstanding the foregoing, in the event that a court of competent jurisdiction determines (pursuant to a final order that is not subject to a pending appeal and is no longer appealable) that the Final Payment Make Whole Amount,

Payment upon Change of Control Make Whole Amount or the Regular Default Payment Make Whole Amount with respect the Loan is unenforceable, disallowed or for any other reason not payable to the Lenders, then an amount equal to the lesser of (a) the maximum amount permitted by law and (b) the Final Payment Make Whole Amount, Payment upon Change of Control Make Whole Amount, the Regular Default Payment Make Whole Amount or the Specified Default Payment Make Whole Amount, as applicable, with respect to the Loan shall be immediately due and payable and such amount shall be deemed to replace the Final Payment Make Whole Amount, Payment upon Change of Control Make Whole Amount, the Regular Default Payment Make Whole Amount or the Specified Default Payment Make Whole Amount, as applicable, with respect to the Loan.

(b) Lenders' Expenses. All Lenders' Expenses of such Lender incurred after the Effective Date, on the earlier of (i) when due pursuant to Section 9.1 and (ii) within [*] Business Days of written demand therefor. Upon the reasonable written request therefor by Company, the applicable Lender will provide Company reasonable documentation of such Lenders' Expenses incurred, subject to redactions and removals for attorney-client privilege information, conflicts of interest information, loan or other obligations restructuring (or potential loan or other obligations restructuring) information and other sensitive information.

Section 2.6 Withholding. Payments received by the Lenders from Company hereunder will be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any governmental authority (including any interest, additions to tax or penalties applicable thereto) ("**Taxes**"), except as required by any Requirement of Law. Specifically, if at any time any Requirement of Law (as determined in the good faith discretion of the Company) require Company to make any Tax withholding or deduction from any such payment or other sum payable hereunder to the Lenders, Company shall be entitled to make such Tax deduction or withholding and shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with Requirement of Law and, if such Tax is an Indemnified Tax, then the sum payable by the Company to the applicable Lender shall be increased as necessary so that after such deduction and withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.6) the applicable Lender receives an amount equal to the sum it would have received had no such deduction or withholding been made. Company will, upon request, furnish the Lenders with proof reasonably satisfactory to the Lenders indicating that Company has made such withholding payment; provided, however, that Company need not make any withholding payment if the amount or validity of such withholding payment is contested in good faith by appropriate and timely proceedings in accordance with GAAP. The agreements and obligations of Company contained in this Section 2.6 shall survive the termination of this Agreement. Prior to becoming a party to this Agreement, each Lender shall provide to Company an IRS Form W-9 or appropriate IRS Form W-8, as applicable, providing that such Lender is entitled to an exemption from U.S. federal "backup" withholding.

Section 2.7 Mitigation. If any Lender requires the Company to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.6, then such Lender shall (at the written request of the Company) use reasonable efforts to designate a different lending office for funding or booking its loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.6, in the future, and (ii) would not subject such Lender to any unreimbursed loss, cost or expense and would not otherwise be disadvantageous to such Lender. The Company hereby agrees to pay all losses and reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

Section 2.8 Change of Control.

(a) If at any time after the date hereof, Company enters into a definitive agreement to consummate, or a Change of Control is otherwise announced, (x) the Company shall have the option to pay off the Obligations in full in cash, and (y) RP shall have the option to declare all Obligations (including, without limitation and without duplication, the Payment upon Change of Control) immediately due and payable (the options in clauses (x) and (y), collectively, the "**Buy-Out Options**" and each, a "**Buy-Out Option**"). Either party may (but is not obligated to) exercise the Buy-Out Option once only with respect to such Change of Control and solely during the Option Exercise Period by delivering to the other party a written notice stating its decision to exercise the Buy-Out Option (the "**Buy-Out Notice**"). Exercise, declination or waiver of the Buy-Out Option by either party shall be irrevocable. The consummation of the Buy-Out Option following the exercise of the Buy-Out Option by either party shall be contingent upon the consummation of either (i) the Change of Control identified in the Buy-Out Notice (the "**Original Transaction**") or (ii) a different Change of Control prior to, concurrently with or promptly following the termination of the Original Transaction (a "**Topping Transaction**", and collectively with the Original Transaction, a "**COC Transaction**"); if neither the Original Transaction nor a Topping Transaction is consummated, the exercise of the Buy-Out Option shall be void and with respect to such Change of Control, and each of Company and RP shall have the option to exercise the Buy-Out Option with respect to a subsequent Change of Control in accordance with the foregoing provisions. "**Option Exercise Period**" means the time period commencing on the date RP receives written notice from Company of Company's entry into a definitive agreement for a, the announcement of a forthcoming or contemplated, or the commencement of a tender offer that, if completed, would constitute a, Change of Control, and ending on the earlier of (A) the [*] calendar day after such date that such written notice is delivered by Company to RP and [*] Business Days prior to the anticipated closing date of such Change of Control, so long as such date is at least [*] Business Days after Company has provided RP such written notice; provided that if Company fails to deliver such written notice, RP may exercise its Buy-Out Option at any time after obtaining knowledge thereof with no deadline applying to RP to exercise its Buy-Out Option.

(b) If either party exercises the Buy-Out Option, Company shall pay, or shall cause to be paid, all Obligations (including, for the avoidance of doubt, the Royalty) by paying an amount equal to the Payment upon Change of Control to RP on the consummation of the COC Transaction (or the following Business Day if the COC Transaction is consummated on a day that is not a Business Day), subject to the provisos set forth in Section 2.2(b)(i)(A). Upon receipt of the Payment upon Change of Control, subject to the provisos set forth in Section 2.2(b)(i)(A), all Company's obligations to pay Scheduled Payments shall be deemed satisfied.

ARTICLE 3

CONDITIONS OF LOANS

Section 3.1 Conditions Precedent to Initial Credit Extension. Each Lender's obligation to make a Loan on the Effective Date is subject to the condition precedent that RP and each Lender shall have received, in form and substance satisfactory to RP and each Lender:

(a) original Loan Documents, each duly executed by Company;

(b) an original Promissory Note duly executed and issued by Company in favor of RP;

(c) a Disbursement Letter duly executed by Company in favor of RP in the form of Exhibit B attached hereto;

(d) the representations and warranties set forth in Section 5 of this Agreement (and the certifications, representations and warranties in any certificates and other documents required to be delivered (or made (or deemed made)) as of the date hereof under this Section 3 and in any Concurrent Agreements) are true, accurate and complete;

(e) no default (including prior to giving effect to any grace or cure period) under any Loan Document or Event of Default shall have occurred and be continuing or result from Company entering into this Agreement, the other Loan Documents or any Transaction Agreement;

(f) Lenders shall have received (i) the Operating Documents and good standing certificates of Company and its Subsidiaries that are Loan Parties certified by the Secretary of State (or equivalent agency) of Company's and such Subsidiaries' jurisdiction of organization or formation and each jurisdiction of organization or formation and such jurisdiction in which Company and each Subsidiary is qualified to conduct business, each as of a date no earlier than thirty (30) days prior to the Effective Date, (ii) resolutions of the board of directors (or comparable governing body) of Company and its Subsidiaries that are Loan Parties authorizing the execution and delivery of this Agreement, the other Loan Documents, the Concurrent Agreements and the other ancillary documents required to be delivered under this Agreement, any other Loan Document or any of the Concurrent Agreements and the performance thereby of all obligations hereunder or thereunder and the consummation of the other transactions contemplated by this Agreement, the other Loan Documents or any of the Concurrent Agreements, (iii) an incumbency certificate certifying as to the officers of Company and its Subsidiaries who will be executing and delivering (and who are authorized to execute and deliver) this Agreement, the other Loan Documents, the Concurrent Agreements and the other ancillary documents required to be delivered under this Agreement, the other Loan Documents or any of the Concurrent Agreements, and (iv) an officer's certificate of Company and its Subsidiaries that are Loan Parties duly executed and delivered by the President, Chief Executive Officer or Chief Financial Officer of Company and any such Subsidiaries attaching the documents and items listed in the foregoing clauses of this Section 3.1(g) and certifying as to the truthfulness, correctness and completeness thereof;

(g) duly executed original officer's certificate for Company and each Subsidiary that is a party to the Loan Documents, in a form acceptable to RP and the Lenders, which shall include that (i) all of the conditions in this Section 3.1(d) and (e) have been satisfied and (ii) Company and its Subsidiaries are each Solvent;

(h) certified copies, dated as of date no earlier than thirty (30) days prior to the Effective Date, of financing statement and intellectual property searches, as RP shall request, which, in each case, shall reflect that there are no Liens on any of the assets of Company or any of its Subsidiaries other than Permitted Liens;

(i) (i) a duly executed legal opinion of counsel to Company with respect to this Agreement, any Loan Documents entered into on or about the Effective Date, the 2022 DFA and any "Loan Documents" (as defined in the 2024 DFA) entered into on or about the Effective Date and the transactions contemplated hereby and thereby, dated as of the Effective Date, in form and substance satisfactory to the Lenders, and (ii) a duly executed legal opinion of counsel to Company with respect to the Concurrent Agreements (other than the 2024 DFA and any "Loan Documents" (as defined in the 2024 DFA)) and the transactions contemplated thereby, dated as of the Effective Date, in form and substance satisfactory to the Lenders; and

(j) the Concurrent Agreements duly executed by Company and the other parties thereto, each of which shall be in full force and effect as of such time and the transactions thereunder that are intended

to occur on the Effective Date shall have occurred (or shall have substantially concurrently occurred) pursuant to the terms and conditions thereof.

Section 3.2 Covenant to Deliver. Company agrees to deliver to RP and the Lenders each item required to be delivered to RP under this Agreement as a condition precedent to any Credit Extension. Company expressly agrees that a Credit Extension made prior to the receipt by RP or any Lender of any such item shall not constitute a waiver by RP or any Lender of Company's obligation to deliver such item, and any such Credit Extension in the absence of a required item shall be made in each Lender's sole discretion.

Section 3.4 Procedures for Borrowing. Subject to the prior satisfaction of all other applicable conditions to the making of a Loan set forth in this Agreement by 12:00 noon New York time (or such later time agreed to by RP in its sole discretion) on the Effective Date, each Lender shall credit the amount of the Loan to the Company's account detailed in the Disbursement Letter on the Effective Date.

ARTICLE 4

[RESERVED]

ARTICLE 5

REPRESENTATIONS AND WARRANTIES

Company represents and warrants to the Lenders as follows:

Section 5.1 Due Organization, Authorization: Power and Authority. Company and each of its Subsidiaries is duly existing and in good standing as a registered organization in its jurisdictions of organization or formation and Company and each of its Subsidiaries is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its businesses or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a Material Adverse Change. The execution, delivery and performance by Company and each of its Subsidiaries of the Loan Documents and the Concurrent Agreements to which it is a party have been duly authorized, and do not (i) conflict with any of Company's or such Subsidiaries' organizational documents, including its respective Operating Documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law applicable thereto, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Company or such Subsidiary, or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect), or (v) constitute an event of default under or breach of any material agreement (including, without limitation, the Transaction Agreements) by which Company or any of such Subsidiaries, or their respective properties, is bound. Neither Company nor any of its Subsidiaries is in default under (a) any agreement (including, without limitation, any Transaction Agreement) to which it is a party or by which it or any of its assets is bound in which such default could reasonably be expected to have a Material Adverse Change or (b) any Loan Document.

Section 5.2 Product. As of the Effective Date, the Product has not received FDA Approval. As of the Effective Date, the Company is planning to conduct all Clinical Trials, including Phase 3 Clinical Trials, necessary to (a) meet the Phase 3 Success Criteria and (b) receive FDA Approval, in each case of clauses (a) and (b), for the Product as the Product exists as of the Effective Date. As of the Effective Date, the Company has not granted any Third Party any licenses or rights to Commercialize the Product other than [*]. As of the Effective Date, the Company has provided RP with all material regulatory correspondence relating to the Product.

Section 5.3 Litigation. Except as disclosed in accordance with Section 6.9 hereof, there are no actions, suits, investigations, or proceedings pending or, to Company's Knowledge, threatened in writing by or against Company or any of its Subsidiaries involving more than [*].

Section 5.4 No Material Deterioration in Financial Condition; Financial Statements. All consolidated financial statements for Company and its Subsidiaries, delivered to RP fairly present, in conformity with GAAP, in all material respects the consolidated financial condition of Company and its Subsidiaries, and the consolidated results of operations of Company and its Subsidiaries. There has not been any Material Adverse Change since the date of the most recent financial statements submitted to any Lender.

Section 5.5 Solvency. Company, taken together with its Subsidiaries, is Solvent.

Section 5.6 Regulatory Compliance. Neither Company nor any of its Subsidiaries is an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Neither Company nor any of its Subsidiaries is engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Company and each of its Subsidiaries has complied in all material respects with the Federal Fair Labor Standards Act. Neither Company nor any of its Subsidiaries is a "holding company" or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company" as each term is defined and used in the Public Utility Holding Company Act of 2005. Neither Company nor any of its Subsidiaries has violated any laws, ordinances or rules, the violation of which could reasonably be expected to have a Material Adverse Change. Neither Company's nor any of its Subsidiaries' properties or assets has been used by Company or such Subsidiary or, to Company's Knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than in material compliance with applicable laws. Company and each of its Subsidiaries has obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted, in all material respects. None of Company, any of its Subsidiaries, or, to Company's Knowledge, any of Company's or its Subsidiaries' Affiliates or any of their respective agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement, is (i) in violation of any Anti- Terrorism Law, (ii) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law, or (iii) a Blocked Person. None of Company, any of its Subsidiaries, or to Company's Knowledge, any of their Affiliates or agents, acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement, (x) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (y) deals in, or otherwise engages in any transaction relating to, any property or interest in property blocked pursuant to Executive Order No. 13224, any similar executive order, or any other Anti-Terrorism Law.

Section 5.7 Investments. Neither Company nor any of its Subsidiaries owns any stock, shares, partnership interests, other equity securities or other Equity Interests except as set forth on Schedule 5.7, Permitted Investments and as otherwise disclosed in writing to the Lenders as an update to Schedule 5.7 (but solely to the extent such transaction would not be in violation of Section 7.7).

Section 5.8 Tax Returns and Payments; Pension Contributions. Company and each of its Subsidiaries has timely filed all required tax returns and reports or extensions thereof, and Company and each of its Subsidiaries, has timely paid all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by Company and such Subsidiaries, in all jurisdictions in which Company or any such Subsidiary is subject to taxes, including the United States, unless such taxes are being contested in accordance with the following sentence. Company and each of its Subsidiaries, may defer payment of any contested taxes, provided that Company or such Subsidiary, in good faith contests its obligation to pay the taxes by appropriate proceedings promptly and diligently instituted and conducted and for which adequate reserves are being maintained in accordance with GAAP. To Company's Knowledge, there are no claims or adjustments proposed for any of Company's or such Subsidiaries' prior tax years which could result in additional taxes becoming due and payable by Company or its Subsidiaries. Company and each of its Subsidiaries have paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and neither Company nor any of its Subsidiaries have, withdrawn from participation in, and have not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Company or its Subsidiaries, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other Governmental Authority.

Section 5.9 Use of Proceeds. Company shall use the proceeds of the Credit Extensions solely (i) to support the Development or Commercialization of the Product, (ii) to pay transaction fees, costs and expenses incurred in connection with the transactions contemplated by this Agreement, and (iii) as working capital and to fund its general business requirements.

Section 5.10 [Reserved].

Section 5.11 Full Disclosure. No written representation, warranty or other statement of Company or any of its Subsidiaries in any certificate or written statement given to RP or any Lender, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to RP or any Lender, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized that the projections and forecasts provided by Company in good faith and based upon assumptions believed by Company to be reasonable at the time made are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results and that such differences may be material, and no representation or warranty is given that any projection or forecast will be realized).

Section 5.12 Definition of "Knowledge". For purposes of the Loan Documents, whenever a representation or warranty is made to Company's Knowledge, or with a similar qualification, "Knowledge" means the actual knowledge [*], after reasonable due inquiry; provided that in the case of "Company's Knowledge" with respect to agents of Company or its Subsidiaries in the second paragraph of Section 5.6, it shall mean actual knowledge of the foregoing officers, without any inquiry.

ARTICLE 6

AFFIRMATIVE COVENANTS

Company shall, and shall cause each of its Subsidiaries to, do all of the following:

Section 6.1 Government Compliance.

(a) Maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of organization and maintain qualification in each jurisdiction in which the failure to so qualify could reasonably be expected to have a Material Adverse Change. Comply with all laws, ordinances and regulations to which Company or any of its Subsidiaries is subject, the noncompliance with which could reasonably be expected to have a Material Adverse Change.

(b) Obtain and keep in full force and effect, all of the material Governmental Approvals necessary for the performance by Company and its Subsidiaries of their respective businesses and obligations under the Loan Documents. Company shall promptly provide copies to the Lenders of any material Governmental Approvals related to any Products in the United States and the Major European Countries.

Section 6.2 Financial Statements, Reports, Certificates.

(a) Deliver the Lenders:

(i) as soon as available, but no later than forty-five (45) days after the last day of each fiscal quarter (other than the fourth fiscal quarter of any fiscal year), a company prepared consolidated balance sheet, income statement and cash flow statement covering the consolidated operations of Company and its Subsidiaries for such quarter;

(ii) as soon as available, but no later than ninety-five (95) days after the last day of Company's fiscal year or within five (5) days of filing with the SEC, audited consolidated financial statements of Company and its Subsidiaries prepared under GAAP, consistently applied, together with an unqualified opinion on the financial statements from Ernst & Young LLP or another independent certified public accounting firm of recognized national standing;

(iii) as soon as available after approval thereof by Company's Board of Directors, but no later than sixty (60) days after the last day of each of Company's fiscal years, Company's and its Subsidiaries' annual financial projections for the entire current fiscal year as approved by Company's Board of Directors, which such annual financial projections shall be set forth in a quarter by quarter format (such annual financial projections as originally delivered to the Lenders are referred to herein as the "**Annual Projections**"; provided that, any revisions of the Annual Projections that have been approved by Company's Board of Directors, shall be delivered to the Lenders no later than seven (7) days after such approval);

(iv) within five (5) days of delivery, copies of all material statements, reports and notices made available to Company and its Subsidiaries' holders of such Company's and its Subsidiaries' Indebtedness in excess of [*];

(v) within five (5) days of filing, all reports on Form 10-K, Form 10-Q, Form 8-K or any other form filed with the Securities and Exchange Commission;

(vi) prompt notice of any event that could reasonably be expected to materially and adversely affect the value of the Intellectual Property, taken as a whole, related to the Product;

(vii) the certificates and documents required by the last sentence of Section 2.2(b); and

(viii) other information as reasonably requested by any Lender.

Notwithstanding the foregoing, documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and shall be deemed to have been delivered on the date on which Company posts such documents, or provides a link thereto, on Company's website on the internet at Company's website address.

(b) Keep proper books of record and account in accordance with GAAP in all material respects, in which full, true and correct entries shall be made of all dealings and transactions in relation to the business and activities of Company and its Subsidiaries. Company shall, and shall cause each of its Subsidiaries to, allow, at the sole cost of Company, during regular business hours upon reasonable prior written notice (provided that no notice shall be required when an Event of Default has occurred and is continuing), to visit and inspect any of its properties, to examine and make abstracts or copies from any of Company's Books, and to conduct a collateral audit and analysis of its operations. Such audits shall be conducted no more often than once in any twelve-month period unless (and more frequently if) an Event of Default has occurred and is continuing.

Section 6.3 [Reserved].

Section 6.4 Taxes; Pensions. Timely file and cause each of its Subsidiaries to timely file, all required tax returns and reports or extensions thereof and timely pay, and cause each of its Subsidiaries to timely file, all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by Company or its Subsidiaries, except for deferred payment of any taxes contested pursuant to the terms of Section 5.8 hereof, and shall deliver to Lenders, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with the terms of such plans.

Section 6.5 Insurance. Keep Company's and its Subsidiaries' business insured for risks and in amounts standard for companies in Company's and its Subsidiaries' industry and location.

Section 6.6 [Reserved].

Section 6.7 Protection of Intellectual Property Rights. Company and each of its Subsidiaries shall: (a) use commercially reasonable efforts to protect, defend and maintain the validity and enforceability of its Intellectual Property that is material to the Product; (b) promptly advise RP in writing of infringement by a third party of its Intellectual Property that is material to the Product; and (c) not allow any Intellectual Property material to the Product to be abandoned, forfeited or dedicated to the public without RP's prior written consent (except for any abandonment, forfeiture or dedication to the public of any Intellectual Property or rights relating thereto that are uneconomical, negligible, obsolete, or otherwise no longer material to the Product, in each case, as determined by Company in good faith).

Section 6.8 Litigation Cooperation. Commencing on the Effective Date and continuing through the termination of this Agreement, make available to RP and the Lenders, without expense to RP or the Lenders, Company, its Subsidiaries and each of the Company's and its Subsidiaries officers, employees and agents and Company's and its Subsidiaries' books and records, to the extent that RP or any Lender may reasonably deem them necessary to prosecute or defend any third-party suit or proceeding instituted by or against RP or any Lender relating to Company or any of its Subsidiaries.

Section 6.9 Notices of Litigation and Default. Company will give prompt written notice to RP and the Lenders of any litigation or governmental proceedings pending or threatened (in writing) against Company or any of its Subsidiaries, which could reasonably be expected to result in damages or costs to Company or any of its Subsidiaries of [*] or more or which could reasonably be expected to have a Material Adverse Change. Without limiting or contradicting any other more specific provision of this Agreement, promptly (and in any event within three (3) Business Days) upon Company's Knowledge of the existence of any Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default, Company shall give written notice to RP and the Lenders of such occurrence, which such notice shall include a reasonably detailed description of such Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default.

Section 6.10 Further Assurances.

(a) Execute and deliver any further agreements, instruments and documents and take further action as RP or any Lender reasonably requests to effect the purposes of this Agreement, any other Loan Document.

(b) Deliver to RP, within five (5) days after the same are sent or received, copies of all material correspondence, reports, documents and other filings with any Governmental Authority that (i) could reasonably be expected to have a material adverse effect on any of the Governmental Approvals material to the Product in the United States or the Major European Countries, or (ii) otherwise could reasonably be expected to have a Material Adverse Change; provided that in each case, Company shall be permitted to redact any data, reports or other information, the disclosure of which would violate confidentiality requirements or applicable laws, including, without limitation, Health Insurance Portability and Accountability Act of 1996 (or any comparable state laws), the General Data Protection Regulation (EU) 2016/679 (whether by direct application or contractual obligation), or other applicable data privacy laws, regulations or contractual obligations with respect to personal data.

Section 6.11 CK-586 Financing. (a) If Company commences material negotiation of a term sheet to enter, or cause any of its Subsidiaries to commence material negotiation of a term sheet to enter, into a CK-586 Financing, then Company shall provide the Lenders, not less than 20 days' prior written notice of the expected (and actual) consummation of such CK-586 Financing, which notice shall include a reasonably detailed summary of the terms thereof (which such requirement may be satisfied by providing a copy of any term sheet for such proposed CK-586 Financing), and Company shall provide any such information thereafter to the Lenders that may be reasonably requested by any Lender. If such CK-586 Financing constitutes a Triggering CK-586 Financing, then, prior to Company or any of its Subsidiaries entering into any such Triggering CK-586 Financing, (A) (1) Company shall cause each Subsidiary of the Loan Parties that guarantees the Triggered CK-586 Financing to enter into, a guarantee (which shall be deemed to be a Loan Document) in favor of the Lenders (and, at the sole option of the Lenders, a security agent for the Lenders) in form and substance reasonably satisfactory to the Lenders, pursuant to which such Subsidiary guarantees all of the Obligations under this Agreement and the other Loan Documents, (2) Company shall enter into, and cause each Loan Party (and each such Subsidiary that will (or is required to) enter into a guarantee pursuant to clause (A)(1) enter into a guarantee) to enter into, a security agreement (which shall be deemed to be a Loan Document) with (and in favor of) the Lenders (or, at the sole option

of the Lenders, a security agent acting on behalf of the Lenders) in form and substance reasonably satisfactory to the Lenders, pursuant to which Company and any such other Loan Party (and such Subsidiary that will (or is required to) enter into a guarantee pursuant to clause (A)(1) above) would grant to the Lenders (or a security agent acting on behalf of the Lenders) as security for payment of all of Company's and each Loan Party's Obligations under this Agreement and the other Loan Documents a first priority security interest and Lien (subject solely to Permitted Liens) in and to all right, title and interest in, to and under the Product Assets, the Products, all "proceeds" (as defined in the UCC) of the foregoing and all deposit accounts and securities accounts into which such proceeds are (or any of the collateral is) deposited, whether now owned or existing or hereafter acquired or arising (all such assets and security, collectively, the "Collateral"), and (3) Company shall enter into, and cause each Loan Party (and each such Subsidiary of the Loan Parties that will (or is required to) enter into a guarantee pursuant to clause (A)(1) above) to enter into, such other documents that are necessary or are reasonably requested by the Lenders to provide the Lenders (or, at the sole option of the Lenders, a security agent for the Lenders) a first priority security interest and Lien (subject solely to Permitted Liens) in the Collateral, (B) the Company shall cause (or cause the applicable Loan Party or Subsidiary to cause) lender or provider (or their agent, as applicable) of such Triggering CK-586 Financing (and any Indebtedness permitted by clause (e) of the definition of "Permitted Secured Indebtedness") that is expressly permitted by this Agreement (and is actually) secured by the Product Assets for which a Triggering CK-586 Financing is also secured (and the Loan Parties shall, and shall cause any such applicable Subsidiary to) and the Loan Parties shall enter into a customary intercreditor agreement with the Lenders (or, at the sole option of the Lenders, a security agent for the Lenders) in form and substance reasonably satisfactory to the Lenders (a "**Customary Intercreditor Agreement**") (and the Lender shall, without unreasonable delay and in good faith negotiate and enter into such Customary Intercreditor Agreement) and (C) Company shall, and shall cause the other Loan Parties (and such applicable Subsidiary) to take all actions necessary or reasonably requested by the Lenders to perfect, provide and maintain a first priority security interest (subject solely to Permitted Liens) in all of the Collateral.

(b) Subject to Section 12.5, Company and the Lenders agree to terminate and to cause its related Subsidiary to terminate any guaranty, security agreement and related documents executed pursuant to clause (a)(A) above upon Company's payment in full of the Scheduled Payments (other than the Scenario 1 Royalty Payment), the Regular Default Payment, or the Final Payment, as applicable.

ARTICLE 7

NEGATIVE COVENANTS

Company shall not, and shall not permit any of its Subsidiaries to, do any of the following without the prior written consent of RP:

Section 7.1 Dispositions. (a) Convey, sell, lease, transfer, license, assign, or otherwise dispose of (collectively, "**Transfer**") all or substantially all of the business or property of Company or any of its Subsidiaries (other than any Immaterial Subsidiary and, solely in connection with a Transfer of a CK-586 Subsidiary from a foreclosure or exercise of remedies pursuant to a Ring-Fenced CK-586 Financing, any CK-586 Subsidiary solely as permitted by (and in accordance with) the applicable intercreditor agreement in favor of the Lenders (or the security agent for the Lenders, as applicable)), or (b) Transfer the right to Commercialize the Product in the United States; provided, however, that the foregoing shall not restrict Company from, without RP's consent, (i) selling, assigning, transferring, or otherwise disposing of inventory of the Product in the ordinary course of business in connection with the Development or Commercialization of the Product, (ii) entering into and performing obligations or exercising rights under a Co-Commercialization Agreement, (iii) selling, assigning, transferring or otherwise disposing of assets that are material to the Development or Commercialization of the Product that are no longer reasonably

necessary in the Development or Commercialization of the Product (such as obsolete equipment); (iv) entering into a Permitted License; (v) any Transfer of assets among the Loan Parties; or (vi) any Transfer of Marketing Approvals for the Product in any jurisdiction (other than the United States) to any Subsidiary or other Person in connection with a permitted transfer hereunder for the Commercialization by such Subsidiary or Person of the Product in such jurisdiction (or in the case of the Transfer to a Subsidiary, in connection with Commercialization by a Loan Party in such jurisdiction).

Section 7.2 Changes in Business. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the business of developing and Commercializing pharmaceutical products and other businesses reasonably related or incidental thereto; or (b) liquidate or dissolve except that (i) any Subsidiaries of Company may be dissolved or liquidated into Company or another Loan Party and (ii) any Subsidiary that is not a Loan Party may be dissolved or liquidated into, any other Subsidiary that is not a Loan Party.

Section 7.3 Mergers or Acquisitions. (a) Merge or consolidate with any other Person unless (i) in connection with any merger or consolidation involving the Company, the Company is the surviving legal Person, (ii) in connection with any merger or consolidation of a Subsidiary with or into a Loan Party, the surviving legal Person is a Loan Party, or (iii) in connection with any merger or consolidation involving a Subsidiary of the Company that is not a Loan Party with any Person that is not a Loan Party, such Subsidiary is the surviving legal Person (except with respect to when such Subsidiary is an Immaterial Subsidiary) and (b) divide or split into one or more Persons unless all of the Persons into which the Company or any other Loan Party divided or split become co-Companies or Guarantors (with at least one such Person being a Company, which shall be determined by RP and the Lenders in their sole discretion).

Section 7.4 Indebtedness. (a) Create, incur, assume, or be liable for any Indebtedness secured by a Lien on the assets of the Company or its Subsidiaries other than Permitted Secured Indebtedness or (b) create, incur, assume, or be liable for any Indebtedness that is a debt security issued by the Company or its Subsidiaries which is convertible into or exchangeable for Equity Interests of the Company (or any of its Subsidiaries) and/or cash (in an amount determined by reference to the price of such Equity Interests), other than (I) Indebtedness that (i) is unsecured, (ii) will not have a stated maturity prior to the date that is the later of (A) five (5) years from the date of issuance and (B) December 31, 2029, (iii) has no scheduled amortization or principal payments or requires any mandatory redemptions or payments of principal in cash prior to the date that is five (5) years from the date of issuance other than customary payments upon the occurrence of an event of default, a change of control or fundamental change event (provided that this clause (iii) does not prohibit Company from (x) paying the principal amount of a convertible security in cash at maturity or voluntarily (but not mandatorily) upon conversion prior to maturity, (y) settling any conversion or exchange thereof in Equity Interests of the Company or (z) paying cash in lieu of fractional shares), and (iv) immediately before and after giving pro forma effect to the incurrence of such Indebtedness and any concurrent use of proceeds thereof, no default under the Loan Documents or Event of Default shall have occurred and be continuing, and (II) the Existing Convertible Indebtedness (and together with the Indebtedness that satisfies each of the requirements and conditions in preceding clauses (I), collectively, the "**Permitted Convertible Indebtedness**").

Section 7.5 Amendments of Certain Documents. Amend or enter into any documents or agreements evidencing any Indebtedness, royalty purchase agreements, licenses, sublicenses or documents or agreements related to any biopharmaceutical products of Company or its Subsidiaries, in each case in a manner that would reasonably result in a Material Adverse Change.

Section 7.6 [Reserved]

Section 7.7 Distributions; Investments. (a) Pay any dividends (other than dividends payable solely in Equity Interests) or make any distribution or payment in respect of or redeem, retire or purchase any Equity Interests (all of the foregoing, the "**Restricted Payments**") except that Company or any Subsidiary may (i) repurchase Equity Interests of Company from current or former employees, directors or consultants pursuant to stock repurchase agreements or stock purchase plans so long as such repurchases do not exceed [*] in the aggregate per fiscal year and no default under the Loan Documents or Event of Default then exists or would be caused thereby, (ii) repurchase Equity Interests of Company from current or former employees, directors or consultants pursuant to stock repurchase agreements by the cancellation of indebtedness owed by such former employees in the ordinary course of business regardless of whether an Event of Default exists, (iii) convert or exchange of any of its convertible securities of Company into other securities pursuant to the terms of such convertible securities or otherwise in exchange thereof to the extent no Event of Default then exists or would be caused thereby and, solely in the case of cash conversions (other than cash in lieu of fractional shares), no default under the Loan Documents then exists or would be caused thereby, (iv) purchase for value of any rights distributed in connection with any stockholder rights plan to the extent no default under the Loan Documents or Event of Default then exists or would be caused thereby, (v) purchases of Equity Interests of Company with the proceeds received from a substantially concurrent issuance of Equity Interests or convertible securities to the extent no default under the Loan Documents or Event of Default then exists or would be caused thereby; (vi) purchases of Equity Interests of Company pledged as collateral for loans to employees in the ordinary course of business to the extent no Event of Default then exists or would be caused thereby; (vii) purchases of Equity Interests of Company in connection with (A) the exercise of warrants, stock options or stock appreciation rights of Company by way of cashless (or "net") exercise, or (B) the satisfaction of withholding tax obligations, in each case of this clause (vii), to the extent no Event of Default then exists or would be caused thereby; (viii) cash payments in lieu of the issuance of fractional shares upon exercise, conversion or exchange of warrants, stock option or convertible securities of Company to the extent no Event of Default then exists or would be caused thereby; and (ix) the purchase of any Permitted Equity Derivatives and any settlement, unwinding or other termination of any Permitted Equity Derivatives to the extent no default under the Loan Documents or Event of Default then exists or would be caused thereby or (b) directly or indirectly make any loan, advance, investment, payment or capital contribution to its Subsidiaries or Joint Ventures (other than Permitted Investments), unless such Subsidiary or Joint Venture provides a Guaranty in form and substance satisfactory to RP and the Lenders.

Section 7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Company or any of its Subsidiaries, except for (a) transactions that are in the ordinary course of Company's or such Subsidiary's business, upon fair and reasonable terms that are no less favorable to Company or such Subsidiary than would be obtained in an arm's length transaction with a non-affiliated Person, (b) equity investments by Company's investors in Company, (c) reasonable and customary fees paid to members of Company's or a Subsidiary's Board of Directors in the ordinary course of business; (d) (i) transactions among Loan Parties, (ii) transactions among Subsidiaries that are not Loan Parties and (iii) transactions solely with a CK-586 Subsidiary in connection with Permitted Investments, so long as such transactions are (A) in each case of clause (i), clause (ii) and clause (iii), Permitted Investments, (B) in each case of clause (i), clause (ii) and clause (iii), incurred in the ordinary course of business; provided that, solely in the case of clause (iii), a CK-586 Financing is not required to be in the ordinary course of business, and (C) in the case of clause (iii), upon fair and reasonable terms that are no less favorable to a Loan Party than would be obtained in an arm's length transaction with a non-affiliated Person.

Section 7.9 Compliance. Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; fail to meet the minimum funding requirements of ERISA in excess of [*], permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur; fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation could reasonably be expected to have a Material Adverse Change, or permit any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of Company or any of its Subsidiaries, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other Governmental Authority.

Section 7.10 Compliance with Anti-Terrorism Laws. The Lenders hereby notify Company and each of its Subsidiaries that pursuant to the requirements of Anti-Terrorism Laws, and the Lenders' policies and practices, the Lenders are required to obtain, verify and record certain information and documentation that identifies Company and each of its Subsidiaries and their principals, which information includes the name and address of Company and each of its Subsidiaries and their principals and such other information that will allow the Lenders to identify such party in accordance with Anti-Terrorism Laws. Neither Company nor any of its Subsidiaries shall, nor shall Company or any of its Subsidiaries permit any Affiliate to, directly or indirectly, knowingly enter into any documents, instruments, agreements or contracts with any Person listed on the OFAC Lists. Company and each of its Subsidiaries shall immediately notify RP and the Lenders if Company or such Subsidiary has Knowledge that Company, or any Subsidiary or Affiliate of Company, is listed on the OFAC Lists or (a) is convicted on, (b) pleads *nolo contendere* to, (c) is indicted on, or (d) is arraigned and held over on charges involving money laundering or predicate crimes to money laundering. Neither Company nor any of its Subsidiaries shall, nor shall Company or any of its Subsidiaries permit any Affiliate to, directly or indirectly, (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including, without limitation, the making or receiving of any contribution of funds, goods or services to or for the benefit of any Blocked Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224 or any similar executive order or other Anti-Terrorism Law, or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in Executive Order No. 13224 or other Anti-Terrorism Law.

ARTICLE 8

EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

Section 8.1 Payment Default. Company or any other Loan Party fails to (a) make any Scheduled Payment or any other payment of principal or any payment of interest on its due date, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day grace period shall not apply to payments due on the Maturity Date (for the avoidance of doubt, any scheduled payment of the Royalty in Scenario 1 that is due or payable after the Maturity Date as specified in Schedule 2.2(b) shall not be due on the Maturity Date, and shall instead be due on each such scheduled payment date of the Royalty specified on Schedule 2.2(b) occurring after the Maturity Date), any scheduled payment date of the Royalty under Scenario 1 that is due or payable pursuant

to Schedule 2.2(b) after the Maturity Date with respect to the Loan or the date of acceleration pursuant to Section 9.1(a) hereof). During the cure period, the failure to cure the payment default is not an Event of Default (but no Credit Extension will be made during the cure period);

Section 8.2 Covenant Default.

(a) (i) Company, any other Loan Party or any of their respective Subsidiaries violates any covenant in Section 6.2(a)(i), 6.2(a)(ii) or 6.2(a)(iii), Section 6.4 (Taxes), Section 6.11 (CK-586 Financing)or Article 7, (ii) Company, any other Loan Party or any of their respective Subsidiaries violates the last sentence of Section 2.2(b) or the last sentence of Section 6.9 (Notice of Default) or (iii) Company, any other Loan Party or any of their respective Subsidiaries fails or neglects to perform any obligation in Sections 6.2 (Financial Statements, Reports, Certificates) (other than Section 6.2(a)(i), 6.2(a)(ii) or 6.2(a)(iii)), Section 6.5 (Insurance), Section 6.9 (Notice of Litigation and Default) (other than the last sentence thereof) or Section 6.10 (Further Assurances) and, solely in the case of this clause (a)(iii), Company has failed to cure such default within 10 days after the earlier of (A) receipt by Company or any of its Subsidiaries of notice of such default from RP or any Lender and (B) knowledge of such default by Company or any of its Subsidiaries; or

(b) Company, any other Loan Party or any of their respective Subsidiaries fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Article 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within 30 days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the 30 day period or cannot after diligent attempts by Company be cured within such period, and such default is likely to be cured within a reasonable time, then Company shall have an additional period (which shall not in any case exceed 45 days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Credit Extensions shall be made during such cure period). Grace periods provided under this Section shall not apply, among other things, to covenants set forth in Section 8.2(a) above;

Section 8.3 [Reserved];

Section 8.4 Attachment; Levy; Restraint on Business. (a) Any material portion of Company's or any of its Subsidiaries' assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (b) any court order enjoins, restrains, or prevents Company or any of its Subsidiaries from conducting any material part of its business;

Section 8.5 Insolvency. (a) Company, taken together with its Subsidiaries, is or becomes Insolvent; (b) Company or any of its Subsidiaries begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against Company or any of its Subsidiaries and not dismissed or stayed within forty-five (45) days (but no Credit Extensions shall be made while Company or any Subsidiary is Insolvent and/or until any Insolvency Proceeding is dismissed);

Section 8.6 Other Agreements. There is a default in any agreement to which Company or any of its Subsidiaries is a party with a third party or parties resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount in excess of [*] or that could reasonably be expected to have a Material Adverse Change; provided, however, that the Event of Default under this Section 8.6 caused by the occurrence of a breach or default under such other agreement shall be cured or waived for purposes of this Agreement upon RP receiving written notice from the party asserting such breach or default of such cure or waiver of the breach or default under such other agreement, if at the time of such cure or waiver under such other agreement (x) RP or any Lender has not declared an

Event of Default under this Agreement and/or exercised any rights with respect thereto; (y) any such cure or waiver does not result in an Event of Default under any other provision of this Agreement or any Loan Document; and (z) in connection with any such cure or waiver under such other agreement, the terms of any agreement with such third party are not modified or amended in any manner which could in the good faith business judgment of RP be materially less advantageous to Company; provided, further, that this Section 8.6 shall not apply to (A) any secured Indebtedness that becomes due solely as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness if (x) such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness and (y) repayments are timely made as required by the terms of the respective Indebtedness, and (B) any Indebtedness of any Person that is being acquired by Company or any Subsidiary (to the extent such acquisition is not prohibited by the terms of this Agreement) that becomes due as a result of such acquisition so long as such Indebtedness is timely repaid as required by the terms thereof;

Section 8.7 Judgments. One or more judgments, orders, or decrees for the payment of money in an amount, individually or in the aggregate, of at least [*] (not covered by independent third-party insurance as to which liability has been accepted in full by such insurance carrier) shall be rendered against Company or any of its Subsidiaries and shall remain unsatisfied, unvacated, or unstayed for a period of thirty (30) days after the entry thereof (provided that no Credit Extensions will be made prior to the satisfaction, vacation, or stay of such judgment, order or decree);

Section 8.8 Misrepresentations. Company or any of its Subsidiaries or any Person acting for Company or any of its Subsidiaries makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to RP and/or Lenders or to induce RP and/or the Lenders to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made; or

Section 8.9 Marketing Approvals. Any Marketing Approval of the Product from the FDA or the EMA shall have been revoked, rescinded, suspended, modified in an adverse manner, or not renewed in the ordinary course for a full term *and* such revocation, rescission, suspension, modification or non-renewal has resulted in or could reasonably be expected to result in a Material Adverse Change.

Section 8.10 Delisting. Other than in connection with a Change of Control, the shares of common stock of Company are delisted from The NASDAQ Stock Market because of either (a) a voluntary delisting or (b) a failure to comply with continued listing standards thereof, in either case which results in such shares not being listed on any other nationally recognized stock exchange in the United States.

Section 8.11 Concurrent Agreements and Existing Purchase Documents. A default shall occur in the payment when due in respect of any of Company's obligations under any Concurrent Agreement or any Existing Purchase Document and such default continues for fifteen (15) Business Days after the earlier of (i) receipt by Company or any of its Subsidiaries of written notice thereof from RP, Royalty Pharma Investments 2019 ICAV, any Lender or any of their respective Affiliates or representatives (or, in each case, any assignee or transferee thereof) and (ii) the knowledge of such default by Company or any of its Subsidiaries; provided that such fifteen (15) Business Day period shall not commence at any time in which the non-payment is subject to a good faith dispute of the Company that is actively and continuously being pursued and negotiated.

Section 8.12 2022 DFA Default. An "Event of Default" (as defined under the 2022 DFA) occurs under the 2022 DFA or any other Loan Document (as defined in the 2022 DFA).

ARTICLE 9

RIGHTS AND REMEDIES

Section 9.1 Rights and Remedies.

(a) Upon the occurrence and during the continuance of an Event of Default, RP may, without notice or demand, do any or all of the following: (i) deliver notice of the Event of Default to Company, or (ii) by notice to Company declare all Obligations (including, without limitation and without duplication, the Regular Default Payment or the Specified Default Payment, as applicable) immediately due and payable (but if an Event of Default described in Section 8.5 occurs, all Obligations (including, without limitation and without duplication, the Specified Default Payment) shall be immediately due and payable without any notice or action by RP or the Lenders) or (iii) by notice to Company suspend or terminate the obligations, if any, of the Lenders to advance money or extend credit for Company's benefit under this Agreement or any other Loan Document (but if an Event of Default described in Section 8.5 occurs, all obligations, if any, of the Lenders to advance money or extend credit for Company's benefit under this Agreement or any other Loan Document shall immediately terminate without any action by RP or the Lenders). Without limiting the rights of the RP and the Lenders (or any security agent therefor) set forth in the foregoing provisions of this Section 9.1(a), upon the occurrence and during the continuance of an Event of Default, the RP and the Lenders (or any security agent therefor) shall have the right, without notice or demand, to do any or all of the following, to the extent the Obligations are secured by any Collateral at such time, subject to the terms and provisions of any applicable Customary Intercreditor Agreement in effect at such time: (A) foreclose upon, dispose of and/or sell or otherwise liquidate, the Collateral, (B) apply to any Obligations any (1) balances and deposits of Company or any of its Subsidiaries that is Collateral or which RP or any Lender (or any security agent therefor) holds or controls or (2) any amount held or controlled by RP or any Lender (or any security agent therefor) owing to or for the credit or the account of Company or any of its Subsidiaries, or (C) take any other action with respect to the Collateral that (1) any secured creditor has available under the UCC, under other applicable law, in equity or otherwise or (2) RP or any Lender (or any security agent therefor) has available under any of the Loan Documents, any related documents or any applicable Customary Intercreditor Agreement.

(b) Without limiting the rights of RP and the Lenders set forth in Section 9.1(a) above, upon the occurrence and during the continuance of an Event of Default, RP shall have the right, without notice or demand, to commence and prosecute an Insolvency Proceeding or consent to Company or any other Loan Party commencing any Insolvency Proceeding.

(c) Without limiting the rights of RP and the Lenders set forth in Sections 9.1(a) and (b) above, upon the occurrence and during the continuance of an Event of Default, RP shall have the right, without notice or demand, to exercise all rights and remedies available to RP and each Lender under the Loan Documents or at law or equity.

Section 9.2 Application of Payments and Proceeds. Notwithstanding anything to the contrary contained in this Agreement, upon the occurrence and during the continuance of an Event of Default, Company and each other Loan Party irrevocably waives the right to direct the application of any and all payments at any time or times thereafter received by RP from or on behalf of Company or any of its Subsidiaries of all or any part of the Obligations, and, as between Company and its Subsidiaries on the one hand and RP and Lenders on the other, RP shall have the continuing and exclusive right to apply and to reapply any and all payments received against the Obligations in such manner as RP may deem advisable notwithstanding any previous application by RP. RP, or if applicable, each Lender, shall promptly remit to the other Lenders such sums as may be necessary to ensure the ratable repayment of each Lender's portion of the Loan and the ratable distribution of interest, fees and reimbursements paid or made by Company or any of its Subsidiaries. Notwithstanding the foregoing, a Lender receiving a scheduled payment shall not be responsible for determining whether the other Lenders also received their scheduled payment on such

date; provided, however, if it is later determined that a Lender received more than its ratable share of scheduled payments made on any date or dates, then such Lender shall remit to the Lenders such sums as may be necessary to ensure the ratable payment of such scheduled payments, as instructed by RP. If any payment or distribution of any kind or character, whether in cash, properties or securities, shall be received by a Lender in excess of its ratable share, then the portion of such payment or distribution in excess of such Lender's ratable share shall be received by such Lender in trust for and shall be promptly paid over to the other Lender for application to the payments of amounts due on the other Lenders' claims. To the extent any payment for the account of Company is required to be returned as a voidable transfer or otherwise, the Lenders shall contribute to one another as is necessary to ensure that such return of payment is on a pro rata basis.

Section 9.3 No Waiver; Remedies Cumulative. Failure by RP or any Lender, at any time or times, to require strict performance by Company, the other Loan Parties and their respective Subsidiaries of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of RP or any Lender thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by RP and the Required Lenders and then is only effective for the specific instance and purpose for which it is given. The rights and remedies of RP and the Lenders under this Agreement and the other Loan Documents are cumulative. RP and the Lenders have all rights and remedies provided under the Code, any applicable law, by law, or in equity. The exercise by RP or any Lender of one right or remedy is not an election, and RP's or any Lender's waiver of any Event of Default is not a continuing waiver. RP's or any Lender's delay in exercising any remedy is not a waiver, election, or acquiescence.

Section 9.4 Demand Waiver. Company and each other Loan Party waives, to the fullest extent permitted by law, demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by RP or any Lender on which Company or any Subsidiary is liable.

ARTICLE 10

NOTICES

All notices, consents, requests, approvals, demands, or other communication (collectively, "**Communication**") by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail transmission with an acknowledgement of receipt being produced by the recipient's email account; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address or electronic mail address indicated below. Any of RP, Lender or Company (on behalf of itself and the other Loan Parties) may change its mailing address or electronic mail address by giving the other party written notice thereof in accordance with the terms of this Article 10. So long as the Lenders consist of RP and/or Affiliates of RP, any notice, report or other information required to be delivered to the Lenders under this Agreement or any other Loan Document shall be deemed delivered upon delivery of such notice, report or such other information to RP.

If to Company or any other Loan Party:

CYTOKINETICS, INCORPORATED

350 Oyster Point Boulevard
South San Francisco, CA 94080
Attn: General Counsel
Email: [*]

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

Cooley LLP
3 Embarcadero Center, 20th Floor
San Francisco, CA 94111
Attention: Gian-Michele a Marca
Email: [*]

If to RP:

ROYALTY PHARMA DEVELOPMENT FUNDING, LLC
110 E. 59th Street, Suite 3300
New York, NY 10022
Attention: General Counsel
Email: [*]

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

Goodwin Procter LLP
100 Northern Avenue
Boston, MA 02210
Attn: Kristopher Ring and Jacqueline Mercier
Email: [*]

ARTICLE 11

CHOICE OF LAW, VENUE AND JURY TRIAL WAIVER, AND JUDICIAL REFERENCE

Section 11.1 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

Section 11.2 JURISDICTION; VENUE.

(a) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS RESPECTIVE PROPERTY AND ASSETS, TO THE EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT OR FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN NEW YORK COUNTY, NEW YORK, AND ANY APPELLATE COURT THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, AND COMPANY AND ITS SUBSIDIARIES HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREE THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. COMPANY AND ITS SUBSIDIARIES HEREBY AGREE THAT A FINAL

JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LAW. EACH OF COMPANY AND ITS SUBSIDIARIES HEREBY SUBMITS TO THE EXCLUSIVE PERSONAL JURISDICTION AND VENUE OF SUCH NEW YORK STATE AND FEDERAL COURTS. COMPANY AND ITS SUBSIDIARIES AGREE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THAT PROCESS MAY BE SERVED ON COMPANY AND ITS SUBSIDIARIES IN THE SAME MANNER THAT NOTICES MAY BE GIVEN PURSUANT TO ARTICLE 10 HEREOF.

(b) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY NEW YORK STATE OR FEDERAL COURT. EACH OF COMPANY AND ITS SUBSIDIARIES HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

ARTICLE 12

GENERAL PROVISIONS

Section 12.1 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Company may not transfer, pledge or assign this Agreement or any rights or obligations under it without RP's and each Lender's prior written consent (which may be granted or withheld in RP's and each Lender's discretion, subject to Section 12.6). The Lenders have the right, without the consent of or notice to Company, to sell, transfer, assign, pledge, negotiate, or grant participation in (any such sale, transfer, assignment, negotiation**,** or grant of a participation, a "**Lender Transfer**") all or any part of, or any interest in, the Lenders' obligations, rights, and benefits under this Agreement, any Promissory Note and the other Loan Documents. [*]. Notwithstanding anything to the contrary in this Agreement or any other Loan Document, any prohibited transfer, pledge or assignment under this Agreement or any other Loan Document shall be absolutely void *ab initio*.

Section 12.2 Indemnification. Company agrees to indemnify, defend and hold RP and the Lenders and their respective directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing RP or the Lenders (each, an "**Indemnified Person**") harmless against: (a) all obligations, demands, claims, and liabilities (collectively, "**Claims**") asserted by any other party in connection with; related to; following; or arising from, out of or under, the transactions contemplated by the Loan Documents; and (b) all losses or Lenders' Expenses incurred, or paid by Indemnified Person in connection with; related to; following; or arising from, out of or under, the transactions contemplated by the Loan Documents between RP, and/or the Lenders and Company (including reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct. Company hereby further indemnifies, defends and holds each Indemnified Person harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the fees and disbursements of counsel for such Indemnified Person) in connection with any investigative, response, remedial, administrative or judicial matter or proceeding, whether or not such Indemnified Person shall be designated a party thereto and including any such proceeding initiated by or on behalf of Company, and the reasonable expenses of investigation by engineers, environmental consultants and similar technical personnel and any commission, fee or compensation claimed by any broker (other than any broker retained by RP or Lenders) asserting any right to payment for the transactions contemplated hereby which may be

imposed on, incurred by or asserted against such Indemnified Person as a result of or in connection with the transactions contemplated hereby and the use or intended use of the proceeds of the loan proceeds except for liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements directly caused by such Indemnified Person's gross negligence or willful misconduct.

[*]

Section 12.4 Severability of Provisions. If any term or provision of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any situation in any jurisdiction, then, to the extent that the economic and legal substance of the transactions contemplated hereby is not affected in a manner that is materially adverse to either party hereto, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect and the enforceability and validity of the offending term or provision shall not be affected in any other situation or jurisdiction.

Section 12.5 Payments Set Aside. To the extent that any payment by or on behalf of Company, any other Loan Party or any of their respective Subsidiaries is made to RP or any Lender, or RP or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by RP or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any bankruptcy law, debtor relief law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, (b) all guarantees, security documents (including any Liens on the Collateral granted thereunder) and other documents provided under Section 6.11 shall automatically spring back into existence and be in full force and effect without any action by any Person, and (c) Company shall, and shall cause each of its applicable Subsidiaries to, execute and deliver such documents and take such other actions reasonably requested by any Lender in connection with effectuating any of the foregoing (including entering into new such guarantees, security documents and such other documents or reaffirming, ratifying and acknowledging the enforceability and effectiveness of such guarantees, security documents and other documents referenced in clause (b) above).

Section 12.6 Amendments in Writing; Integration. (a) No amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document, no approval or consent thereunder, or any consent to any departure by Company or any of its Subsidiaries therefrom, shall in any event be effective unless the same shall be in writing and signed by Company, RP and the Required Lenders provided that:

(i) [Reserved];

(ii) no such amendment, waiver or modification that would affect the rights and duties of RP shall be effective without RP's written consent or signature;

(iii) no such amendment, waiver or other modification shall, unless signed by all the Lenders directly affected thereby, (A) reduce the principal of, rate of interest on or any fees with respect to any Loan or forgive any principal, interest (other than default interest) or fees (other than late charges) with respect to any Loan (B) postpone the date fixed for, or waive, any payment of principal of any Loan or of interest on any Loan (other than default interest) or any fees provided for hereunder (other than late charges or for any termination of any commitment); (C) change the definition of the term "**Required Lenders**" or the percentage of Lenders which shall be required for the Lenders to take any action hereunder; (D) amend, waive or otherwise modify this Section 12.6 or the definitions of the terms used in this Section 12.6 insofar as the definitions affect the substance of this Section 12.6; (E) consent to the assignment, delegation or other transfer by Company of any of its rights and obligations under any Loan Document or release Company of its payment obligations under any Loan Document, except, in each case with respect to this clause (E), pursuant to a merger or consolidation permitted pursuant to this Agreement; (F) amend any of the provisions of Section 9.2 or amend any of the definitions of Pro Rata Share, or that provide for the Lenders to receive their Pro Rata Shares of any fees, payments or setoffs hereunder; or (G) amend any of the provisions of Section 12.10. It is hereby understood and agreed that all Lenders shall be deemed directly affected by an amendment, waiver or other modification of the type described in the preceding clauses (C), (D), (E), (F), (F) and (G) of the preceding sentence;

(iv) the provisions of the foregoing clauses (i), (ii) and (iii) are subject to the provisions of any interlender or agency agreement among the Lenders and RP pursuant to which any Lender may agree to give its consent in connection with any amendment, waiver or modification of the Loan Documents only in the event of the unanimous agreement of all Lenders.

(v) Other than as expressly provided for in Section 12.6(a)(i)-(iii), RP may, if requested by the Required Lenders, from time to time designate covenants in this Agreement less restrictive by notification to a representative of Company.

(vi) This Agreement and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Agreement and the Loan Documents merge into this Agreement and the Loan Documents.

Section 12.7 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

Section 12.8 Termination and Survival.

(i) This Agreement shall terminate upon:

(a) mutual written agreement of Company and the Lenders; or

(b) Company's satisfaction of all Obligations (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) under this Agreement and the other Loan Documents.

(ii) Subject to clause (iii) below, all covenants, representations and warranties made in this Agreement continue in full force and effect until this Agreement has terminated pursuant to clause (i) above. The obligation of Company in Section 12.2 to indemnify each Lender and RP, as well as the confidentiality provisions in Article 13 below, shall survive until the statute of limitations with respect to such claim or cause of action shall have run.

(iii) For Scenario 1, Articles 3, 5, 6, 7 (except Section 7.1(a)) and 8 (except Section 8.1 and except, solely as it relates to the last sentence of Section 2.2(b), Section 8.2(a)(ii)) shall automatically cease to be in full force and effect upon payment in full of the Schedule Payments (other than the Scenario 1 Royalty Payments) or the Final Payment, as applicable; provided that following any such payment in full, Section 4 of the First Amendment to Omecamtiv Purchase Agreement shall be incorporated herein, and shall apply to the Company and its Affiliates as if stated herein, *mutandis mutatis*, provided that the refence to "Purchased Royalty" therein shall instead refer to the Royalty (which, for the avoidance of doubt, shall continue to be payable hereunder) and references to the "Compound" therein shall instead refer to the Product.

Section 12.9 [Reserved].

Section 12.10 Cooperation of Company. If necessary, Company agrees to (i) execute any documents (including new Promissory Notes) reasonably required to effectuate and acknowledge each assignment of a Loan to an assignee in accordance with Section 12.1, (ii) make Company's management available to meet with RP and prospective participants and assignees of Credit Extensions (which meetings shall be conducted no more often than twice every twelve months unless an Event of Default has occurred and is continuing) during normal business hours and upon reasonable prior written notice (unless an Event of Default has occurred and is continuing), and (iii) assist RP or the Lenders in the preparation of information relating to the financial affairs of Company as any prospective participant or assignee of a Loan reasonably may request. Subject to the confidentiality provisions in Article 13, Company authorizes each Lender to disclose to any prospective participant or assignee of a Loan, any and all information in such Lender's possession concerning Company and its financial affairs which has been delivered to such Lender by or on behalf of Company pursuant to this Agreement, or which has been delivered to such Lender by or on behalf of Company in connection with such Lender's credit evaluation of Company prior to entering into this Agreement.

ARTICLE 13

CONFIDENTIALITY

Section 13.1 Confidentiality. Except to the extent expressly authorized by this Agreement or otherwise agreed in writing by the parties, the parties hereto agree that, for the term of this Agreement and for [*] each Lender shall keep confidential and shall not publish or otherwise disclose to Third Parties and shall not use for any purpose other than (I) to monitor, administer and enforce this Agreement and (II) as otherwise provided for in this Agreement or any other Loan Document (which includes the exercise of any rights or the performance of any obligations hereunder) any information furnished to it by or on behalf of the Loan Parties directly relating to the transactions contemplated hereunder and delivered pursuant to this Agreement (such information, "**Confidential Information**" of the Loan Parties), except for that portion of such information that:

(a) was already known to such Lender, other than under an obligation of confidentiality, at the time of disclosure by the Loan Parties;

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

(c) became generally available to the public or otherwise part of the public domain after its disclosure, other than through any act or omission of such Lender or its Representatives in breach of this Agreement;

(d) is independently developed by such Lender or any of its Affiliates, as evidenced by written records, without the use or reference of the Confidential Information;

(e) was disclosed to such Lender, other than under an obligation of confidentiality by a Third Party who had no obligation to such Lender not to disclose such information to others; or

(f) is subsequently disclosed to such Lender on a non-confidential basis by a Third Party without obligations of confidentiality with respect thereto.

Section 13.2 Authorized Disclosure. Any Lender may disclose Confidential Information to the extent such disclosure is reasonably necessary in the following situations:

(a) prosecuting or defending litigation;

(b) complying with applicable laws and regulations, including regulations promulgated by a global stock market or securities exchanges;

(c) complying with a valid order of a court of competent jurisdiction or other governmental entity;

(d) disclosure to its Representatives for the sole purpose of enabling such Representatives to provide advice to such Lender on a need-to-know basis, provided that each of such recipients of Confidential Information must be bound by customary obligations of confidentiality and non-use at least as stringent as those imposed upon the parties pursuant to Section 13.1 prior to any such disclosure;

(e) upon the prior written consent of the Loan Parties;

(f) prospective Lenders or participants, subject to such Persons agreeing to be bound by the provisions of this Article 13;

(g) in connection with exercising rights or remedies under the Loan Documents, the Transaction Agreements or any related documents; or

(h) disclosure to actual and potential acquirors, investors and other sources of funding, including underwriters, debt financing, royalty financing partners, or co-investors, and their respective attorneys, accountants, consultants, financial advisors and other professional representatives ("**Financial Advisors**"); provided, that such disclosure shall be made only to the extent customarily required to consummate such investment, financing transaction, funding transaction or acquisition and that each recipient of Confidential Information must be bound by customary obligations of confidentiality prior to any such disclosure;

provided that, in the event such Lender is required to make a disclosure of the Confidential Information of the Loan Parties pursuant to Sections 13.2(b), or (c), it will, except where impracticable (or prohibited), give reasonable advance written notice to the Loan Parties of such disclosure and use reasonable efforts to secure confidential treatment of such information.

Each Lender shall be liable to the Loan Parties for any breach by its Affiliates or Representatives, if any such Person violates the terms of its confidentiality obligation or any of the terms set forth in this Agreement as if such Person was a party hereto.

Each Lender hereby acknowledges that Company may from time to time provide such Lender with information that may constitute material non-public information with respect to itself and Licensees. Company makes no representation or warranty and assumes no duty to inform any Lender whether any information delivered to such Lender pursuant to this Agreement constitutes material non-public information. Each Lender hereby agrees that it shall not, and shall cause its Affiliates or Representatives to not, trade any securities of Company while in possession of any information received by it from Company pursuant to this Agreement, in each case, in violation of applicable securities laws.

ARTICLE 14

DEFINITIONS

As used in this Agreement, the following terms have the following meanings:

"**2022 DFA**" means that certain Development Funding Loan Agreement dated as of January 7, 2022 (as amended by the Consent and Amendment dated as of June 30, 2022, the Second Amendment dated as of December 8, 2022, and that certain Third Amendment dated as of the Effective Date, by and between the Company and RP ("**Third Amendment to 2022 DFA**") and as may be further amended, restated, supplemented or otherwise modified from time to time).

"**Affiliate**" of any Person is a Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person's managers and members.

"**Aficamten Purchase Agreement**" means the Revenue Participation Right Purchase Agreement dated as of January 7, 2022, as amended by that certain Amendment No. 1 to Revenue Participation Right Purchase Agreement, dated as of the Effective Date, by and between Company and Royalty Pharma Investments 2019 ICAV (the "**First Amendment to Aficamten Purchase Agreement**"), and as may be further amended, restated, supplemented or otherwise modified from time to time.

"**Agreement**" is defined in the preamble hereof. "**Annual Projections**" is defined in Section 6.2(a).

"**Anti-Terrorism Laws**" are any laws relating to terrorism or money laundering, including Executive Order No. 13224 (effective September 24, 2001), the USA PATRIOT Act, the laws comprising or implementing the Bank Secrecy Act, and the laws administered by OFAC.

"**Applicable Payment Amount**" means (a) in all instances and circumstances other than pursuant to clause (b), clause (c) and clause (d) directly below, the Scheduled Payments, (b) upon an acceleration pursuant to Section 9.1(a) following the occurrence of an Event of Default, the Regular Default Payment or the Specified Default Payments, as applicable, and, without duplication, all True-Up Payments, and subsequent Royalty payments,(c) upon a Change of Control described in Section 2.8, the Payment Upon Change of Control, in each case, as applicable, or (d) upon a voluntary prepayment described in Section 2.2(d), the Final Payment and, without duplication, all True-Up Payments and subsequent Royalty Payments. The "Applicable Payment Amount" shall not be less than zero. Notwithstanding anything to the contrary in this Agreement or any other Loan Document, the Royalty (and all future Royalty payments) shall continue to exist and be payable after (and not be terminated from) the making any of the payments referenced in the immediately preceding sentence of this definition (except in connection with the making of the Payment Upon Change of Control pursuant to clause (c) of this definition, but in such case, subject to the Catch Up Royalty Payment and the provisos set forth in Section 2.2(b)(i)(A)).

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

"**Buy-Out Notice**" is defined in Section 2.8(a).

"**Buy-Out Option**" is defined in Section 2.8(a).

"**Business Day**" is any day that is not a Saturday, Sunday or legal holiday on which banks in San Francisco, California and New York, New York, are open for the conduct of their commercial banking business.

"**Cash Management Obligations**" means obligations (in each case, except for business credit cards and overdraft protection, to the extent not constituting a line of credit) in respect of treasury, depository, overdraft, cash pooling, credit or debit cards (including non-card electronic payables), credit card processing services, electronic funds transfer (including automated clearing house funds transfers), and other cash management arrangements, in each case, entered into in the ordinary course of business of the Company.

"**Catch Up Royalty Payment**" is defined in Section 2.2(b).

"**Change of Control**" means (a) a transaction or series of related transactions that results in the sale or other disposition of all or substantially all of the Company's assets (other than any such sale or other disposition to a Subsidiary (as defined in the CK-586 PRA) or Affiliate (as defined in the CK-586 PRA) of the Company), on a consolidated basis; or (b) a merger or consolidation as a result of which the shareholders of the Company immediately prior to the consummation of such merger or consolidation do not, immediately after consummation of such merger or consolidation, possess, directly or indirectly through one or more intermediaries, a [*] of the voting power of all of the surviving entity's outstanding stock and other securities and the power to elect a majority of the members of the Company's board of directors; or (c) a transaction or series of related transactions (which may include a tender offer for the Company's stock or the issuance, sale or exchange of stock of the Company) if the shareholders of the Company immediately prior to the initial such transaction do not, immediately after consummation of such transaction or any of such related transactions, possess, directly or indirectly through one or more intermediaries, [*] of the voting power of all of the Company's or its successor's or its ultimate parent company's outstanding stock and other securities and the power to elect a majority of the members of the Company's or its successor's or its ultimate parent company's board of directors..

"**Clinical Trial**" means any clinical investigation of a drug conducted on human subjects, as that term is defined in FDA regulations at 21 C.F.R. § 312.3 or as prescribed by the regulatory authority in a country or jurisdiction outside the United States.

"**CK-586 Financing**" means, solely to the extent the "Additional Investment Opt-In Right" (as defined in the CK-586 PRA) is not exercised pursuant to Section 2.3 of the CK-586 PRA by the deadline provided therein (after giving effect to all extensions thereof) as permitted by the CK-586 PRA, and solely after such time (if ever), any Indebtedness incurred by Company or its Subsidiaries that is secured solely by the CK-586 Product Assets; provided that if such Indebtedness is a Triggering CK-586 Financing, then such Indebtedness shall be required to satisfy all of the conditions, and meet all of the requirements, set forth in Section 6.11 prior to, or at the time of, being incurred by Company or such Subsidiary.

"**CK-586 PRA**" means that certain CK-586 Revenue Participation Right Purchase Agreement, dated as of the Effective Date, by and between Royalty Pharma Investments 2019 ICAV and the Company, as amended, restated, supplemented or otherwise modified from time to time.

"**CK-586 Product**" means any pharmaceutical that contains the Company's proprietary small molecule cardiac myosin inhibitor product, referred to as CK-586, and any current or future forms thereof, including any reformulations, prodrugs, metabolites, racemates, deuterated forms, pharmaceutical hydrates, solvates, salts, crystalline, bases, esters, isomers, optical isomers, or polymorphs thereof, in any strength, form, formulation, regimen, administration or delivery route.

"**CK-586 R&D Costs**" means the "R&D Costs" as defined in the CK-586 RPA

"**CK-586 Subsidiary**" means a Subsidiary that (a) is bankruptcy remote and for which no liabilities or obligations thereof are responsibilities of, guaranteed by or recourse to, any Loan Party or any of its other Subsidiaries that are not CK-586 Subsidiaries, (b) is established solely for the purpose of Developing and Commercializing CK-586, (c) holds no assets other than Excluded Product Assets, (d) does not guarantee or otherwise provide credit support for any Indebtedness of any Loan Party or any of its other Subsidiaries that are not CK-586 Subsidiaries(other than, to the extent constituting Indebtedness, the obligations under the CK-586 PRA), and (e) has no agreements or other arrangements with any Loan Party or any of its other Subsidiaries, other than customary intercompany licensing agreements, research and development agreements, management agreements and other services agreements (including to provide for the payment of CK-586 R&D Costs), in each case of this clause (e), that are entered into (i) in the ordinary course of business or in the ordinary course of business for a similar ring-fenced transaction for a bankruptcy-remote Subsidiary similar to any applicable CK-586 Subsidiary and (ii) fair and reasonable terms that are no less favorable to a Loan Party (or such other Subsidiary) than would be obtained in an arm's length transaction with a non-affiliated Person, and (g) receives no investments (and no Investments) or other support of any kind from any Loan Party or any of its other Subsidiaries other than as expressly permitted by clause (g) of the definition of "Permitted Investments".

"**Claims**" are defined in Section 12.2.

"**Co-Commercialization Agreement**" means any agreement to which Company or any of its Subsidiaries is a party pursuant to which [*].

"**COC Transaction**" is defined in Section 2.8(a).

"**Code**" is the Internal Revenue Code of 1986, as amended.

"**Commercialize**" or "**Commercialization**" or "**Commercializing**" means any and all activities directed to exclusive licensing, marketing, promoting, distributing, importing, exporting, offering to sell, or selling a product, including commercial manufacturing activities.

"**Communication**" is defined in Article 10.

"**Company**" is defined in the preamble hereof.

"**Company's Books**" are Company's or any of its Subsidiaries' books and records including ledgers, federal, and state tax returns, records regarding Company's or its Subsidiaries' assets or liabilities, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

"Concurrent Agreements" means the CK-586 PRA, First Amendment to Aficamten Purchase Agreement, Third Amendment to 2022 DFA, the bills of sale thereunder and all related documents with respect thereto. For the avoidance of doubt, none of the Loan Documents are Concurrent Agreements.

"**Concurrent Transactions**" is defined in the second paragraph of the preamble to this Agreement.

"**Confidential Information**" is defined in Section 13.1.

"**Consolidated Total Assets**" means, as of any date of determination, the amount that would, in conformity with GAAP, be set forth opposite the caption "total assets" (or any like caption) on the most recent consolidated balance sheet of the Company and its Subsidiaries delivered to the Lenders pursuant to Section 6.2(a) at such date.

"**Contingent Obligation**" is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but "Contingent Obligation" does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

"**Copyrights**" are any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

"**Credit Extension**" is any Loan or any other extension of credit by RP or Lenders for Company's benefit pursuant to this Agreement or any other Loan Document.

"**Customary Intercreditor Agreement**" is defined in Section 6.11(a).

"**Default Rate**" is defined in Section 2.3(b).

"**Develop**" or "**Developing**" means engaging in manufacturing, preclinical, clinical, or other research and development activities (including manufacturing activities related thereto) directed towards obtaining Marketing Approval. "**Development**" means the process of Developing.

"**Disbursement Letter**" is that certain form attached hereto as Exhibit B.

[*]

"**Dollars**," "**dollars**" and "$" each mean lawful money of the United States.

"**Effective Date**" is defined in the preamble of this Agreement.

"**EMA**" means the European Medicines Agency, or any successor agency thereto.

"**Equity Interests**" means, with respect to any Person, any of the shares (including American depositary shares or receipts) or shares of capital stock of (or other ownership, membership or profit interests in) such Person, any of the warrants, options or other rights for the purchase or acquisition from such Person of shares (including American depositary shares or receipts) or shares of capital stock of (or other ownership, membership or profit interests in) such Person, any of the securities convertible into or exchangeable for shares (including American depositary shares or receipts) or shares of capital stock of (or other ownership, membership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and any of the other ownership, membership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares (including American depositary shares or receipts), warrants, options, rights or other interests are outstanding on any date of determination; provided that "**Equity Interests**" shall not include any debt securities and other Indebtedness convertible into or exchangeable for any of the foregoing.

"**ERISA**" is the Employee Retirement Income Security Act of 1974, as amended, and its regulations.

"**Event of Default**" is defined in Article 8.

"**Excluded Product**" means any compound, molecule or other pharmaceutical product developed or licensed by Company (or any of its Subsidiaries) that (x) is not the Product, or (y) does not contain or comprise the Product. For the avoidance of doubt, the Excluded Product shall include reldesemtiv, a fast skeletal muscle troponin activator developed by Company.

"**Excluded CK-586 Product Related Assets**" means, collectively, (a) "Product Assets" (as defined in the CK-586 PRA) solely related to the CK-586 Product owned by Company or any of its Subsidiaries including (i) all cash and cash equivalents that are "proceeds" (as defined in the UCC) thereof to the extent (A) traceable solely from such sale, license or deposition from such sale, license or disposition of such "Product Assets" (as defined in the CK-586 PRA) or (B) traceable solely from the proceeds of any CK-586 Financing, and (ii) any deposit or securities accounting holding such traceable cash and equivalent proceeds referred to in clause (i) directly above.

"**Excluded Product Assets**" means, collectively, Company's and its Subsidiaries' rights, title and interests in any Excluded Product (including all inventory, raw material and work in progress of such Excluded Product) and product rights solely related to Excluded Products (including, without limitation, (w) any Intellectual Property or other intellectual property rights, (x) regulatory filings, submissions and approvals with or from any regulatory authorities, including any clinical data thereunder, (y) any in-licenses, and (z) out-licenses, in each case, solely related to Excluded Products) owned, licensed or otherwise held by Company or any of its Affiliates and any proceeds thereof, including (i) all accounts receivable and payment intangibles solely resulting from the sale, license or other disposition of such Excluded Product by Company or its Subsidiaries, (ii) cash and cash equivalents to the extent traceable solely from such sale, license or deposition in the foregoing clause (i), and (iii) any deposit or securities accounts holding such cash and equivalents and/or proceeds of such accounts receivable and payment intangibles in the foregoing clauses (i) and (ii).

"**Excluded Taxes**" means any of the following Taxes imposed on or with respect to a Lender or required to be withheld or deducted from a payment to a Lender, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Lender being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan, or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.6, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Lender's failure to comply with the last sentence of Section 2.6 and (d) any withholding Taxes imposed under FATCA.

"**Existing Convertible Indebtedness**" is those certain 4.0% convertible senior notes due 2026 issued by Company on November 13, 2019 in an aggregate principle amount of $138,000,000 and those certain 3.5% convertible senior notes due 2027 issued by Company on July 6, 2022 in an aggregate principle amount of $540,000,000, in each case, in the form in effect as of such date.

"**Existing Purchase Documents**" means (a) the Aficamten Purchase Agreement, (b) Omecamtiv Purchase Agreement, and (c) any documents related to the foregoing in clause (a) or clause (b). For the avoidance of doubt, none of the Loan Documents are Existing Purchase Documents.

"**FATCA**" means:

(a) sections 1471 to 1474 of the Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in clause (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in clause (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

"**FDA**" means the Food and Drug Administration of the United States, or any successor entity thereto.

"**FDA Approval**" means Marketing Approval of the Product by the FDA.

"**Final Payment**" is a cash payment equal to the sum of (A) (I) if the Company is in Scenario 2, 237.5% of the principal amount of the Loan, and (II) if the Company is in Scenario 1, Scenario 3 or Scenario 4, 227.5% of the principal amount of the Loan, plus (B) all Lenders' Expenses, plus (C) all other outstanding Obligations (other than inchoate indemnity and expense reimbursement obligations that have not yet been asserted and other than, subject to the provisos in Section 2.2(b), Royalty payments not yet due and payable for calendar quarters occurring after such date of cash payment), plus (D) interest at the Default Rate, if any, pursuant to Section 2.3(b) with respect to all Obligations (other than any Royalty payments not yet due and payable for calendar quarters occurring after such cash payment is made), minus (E) the sum, without duplication, of all payments that have been paid in cash to the Lenders pursuant to Section 2.2(b) prior to the date of determination. The "Final Payment" shall not be less than zero.

"**Final Payment Make Whole Amount**" means as of any date of determination, the result of (i) the Final Payment as of such date of determination, minus (ii) the outstanding principal amount of such Loan as of such date of determination, as calculated by RP in good faith; provided, however, that the Final Payment Make Whole Amount shall not be less than zero.

"**First 18Q Royalty Component Payment Amount**" is defined in Schedule 2.2(b).

"**First Amendment to Aficamten Purchase Agreement**" has the meaning set forth in the definition of Aficamten Purchase Agreement.

"**First Amendment to Omecamtiv Purchase Agreement**" has the meaning set forth in the definition of Omecamtiv Purchase Agreement.

"**Floor Amount**" is defined in Schedule 2.2(b).

"**Foreign Subsidiary**" is any Subsidiary of Company that is not organized in the United States or any state or territory thereof.

"**Funding Date**" is any date on which a Credit Extension is made to or on account of Company which shall be a Business Day.

"**GAAP**" is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession in the United States, which are applicable to the circumstances as of the date of determination.

"**Governmental Approval**" is (a) for purposes of Section 6.1(b) and Section 6.10(b), any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration issued by any Governmental Authority and (b) for all other purposes in the Loan Documents (including, without limitation, Section 5.1), any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

"**Governmental Authority**" is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

"**Guarantor**" is any Person providing a Guaranty in favor of the Lenders.

"**Guaranty**" is any guarantee of all or any part of the Obligations, as the same may from time to time be amended, restated, modified or otherwise supplemented.

"**Immaterial Foreign Subsidiary**" means, as of any date of determination, any Foreign Subsidiary of Company that [*].

"**Immaterial Subsidiary**" means, as of any date of determination, any Subsidiary of Company that [*].

"**Indebtedness**" is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations.

"**Indemnified Person**" is defined in Section 12.2.

"**Indemnified Taxes**" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Company under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"**Initiation**" of a Clinical Trial means the first dosing (whether with the drug or placebo) of the first human subject or patient enrolled in such Clinical Trial or the specified cohort of such Clinical Trial (as applicable).

"**Insolvency Proceeding**" is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

willful misconduct."**Insolvent**" means not Solvent.

"**Intellectual Property**" means all of Company's or any Subsidiary's right, title and interest in and to the following:

(a) its Copyrights, Trademarks and Patents;

(b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals;

(c) any and all source code;

(d) any and all design rights which may be available to Company or any of its Subsidiaries;

(e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and

(f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

"**Investment**" is any beneficial ownership interest in any Person (including stock, partnership interest, other securities or other Equity Interests), and any loan, advance, payment or capital contribution to any Person.

"**Ji Xing**" means Ji Xing Pharmaceuticals Limited, a company organized under the laws of the Cayman Islands.

"**Ji Xing Collaboration Agreements**" means, collectively, (i) that certain License and Collaboration Agreement, dated as of July 14, 2020, between the Company and Ji Xing and (ii) that certain License and Collaboration Agreement, dated as of December 20, 2021, between the Company and Ji Xing, in each case, as amended, restated, supplemented or otherwise modified from time to time.

"**Joint Venture**" is, with respect to any Person, other than any Subsidiary of such Person, any other Person of which at least [*] of the voting stock or other Equity Interests (in the case of Persons other than corporations) is owned or controlled, directly or indirectly, by such Person, its Affiliates or through one or more intermediaries.

"**Knowledge**" is defined in Section 5.12.

"**Lender**" is any one of the Lenders.

"**Lenders**" means RP and each assignee or transferee that becomes a party to this Agreement pursuant to Section 12.1.

"**Lenders' Expenses**" are all audit fees and out-of-pocket expenses, costs, and expenses (including reasonable attorneys' fees and expenses, as well as appraisal fees, fees incurred on account of lien searches, inspection fees and filing fees) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred by the Lenders in connection with the Loan Documents; provided that attorney's fees and expenses for preparing and negotiating the Loan Documents that are incurred prior to the Effective Date shall not be Lenders' Expenses.

"**License**" means a grant of any rights, intellectual property, or Marketing Approvals associated with or covering the Product for making, Developing, Commercializing or otherwise exploiting the Product in the Territory.

"**Licensee**" means a Third Party or an Affiliate of Company that is granted a License, regardless of whether such License is granted by Company, an Affiliate of Company, or another Licensee.

"**Lien**" is a claim, mortgage, deed of trust, levy, charge, pledge, security interest, or other encumbrance on assets, whether voluntarily incurred or arising by operation of law or otherwise against any property.

"**Loan Documents**" are, collectively, this Agreement, each Disbursement Letter, each Promissory Note, any note, or notes or guaranties executed by Company or any other Person, and any other present or future agreement entered into by Company, any Guarantor or any other Person for the benefit of the Lenders and RP in connection with this Agreement (and any guarantee, security agreement, any Customary Intercreditor Agreement or other document provided or entered into by Company, any of its Subsidiaries

or any other Person pursuant to Section 6.11 or pursuant to Section 12.5); all as amended, restated, supplemented or otherwise modified from time to time. For the avoidance of doubt, none of the Concurrent Agreements or Existing Purchase Documents shall constitute Loan Documents.

"**Loan**" is defined in Section 2.2(a) hereof.

"**Loan Party**" is each of Company and any Subsidiary of Company that is a co-borrower, co-obligor, co-royalty (or revenue producer) obligor or Guarantor hereunder.

"**Major European Country**" means each of [*].

"**Market Capitalization**" means, with respect to a Person, as of the date of determination, an amount equal to (a) the total number of issued and outstanding shares of common Equity Interests of such Person on such date, multiplied by (b the arithmetic mean of closing prices per share of such common Equity Interests on the principal securities exchange on which such common Equity Interests are traded for the 30 consecutive trading days immediately preceding such date.

"**Marketing Approval**" means with respect to the Product in any jurisdiction, approval from the applicable Governmental Authority sufficient for the promotion and sale of the Product in such jurisdiction in accordance with applicable law.

"**Material Adverse Change**" is [*].

"**Maturity Date**" means the 10-year anniversary of the Funding Date of the Loan.

"**Milestone Event**" means the occurrence of any of the following events: (a) Company shall have made aggregate payments pursuant to Section 2.2(b) equal to the principal amount of the loans advanced pursuant to Section 2.2(a); or (b) the Market Capitalization of Company is at least [*].

"**NDA**" means a new drug application or a biologics license application, including all supplements and amendments thereto and all necessary documents, data, and other information concerning a product, required for Marketing Approval of the product as a pharmaceutical product.

"**NDA Acceptance**" means the acceptance by the FDA of an NDA for a drug product for filing pursuant to 21 C.F.R. §314.01 (as evidenced by receipt of a "day-74 letter" or equivalent written communication).

"**Net Sales**" means [*].

"**Obligations**" are all of Company's obligations to pay when due any debts, principal, interest, royalties (including, without limitation, any Royalty payment and any current or future amounts with respect to the Royalty), revenue interests, Lenders' Expenses, and other amounts Company owes the Lenders now or later, in connection with, related to, following, or arising from, out of or under, this Agreement or, the other Loan Documents, or otherwise, including, without limitation, interest accruing after Insolvency Proceedings begin (whether or not allowed) and debts, liabilities, royalties (including, without limitation, any Royalty payment and any current or future amounts with respect to the Royalty), revenue interests or obligations of Company assigned to the Lenders and/or RP, and the performance of Company's duties, responsibilities and obligations (including any payment obligations) under the Loan Documents, including, without limitation, the Final Payment Make Whole Amount, Payment upon Change of Control Make Whole Amount, the Regular Default Payment Make Whole Amount, the Specified Default Payment Make Whole Amount, the Final Payment, Payment upon Change of Control, the Regular Default Payment and the Specified Default Payment. For the avoidance of doubt, "Obligations" shall not include any obligations under the Concurrent Agreements or the Existing Purchase Documents.

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

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

"**omecamtiv mecarbil**" means the Company's proprietary small molecule cardiac myosin activator product, referred to as *omecamtiv mecarbil*, and any current or future forms thereof, including any reformulations, prodrugs, metabolites, racemates, deuterated forms, pharmaceutical hydrates, solvates, salts, crystalline, bases, esters, isomers, optical isomers, or polymorphs thereof, in any strength, form, formulation, regimen, administration or delivery route.

"**Omecamtiv Purchase Agreement**" means that certain Royalty Purchase Agreement, dated as of February 1, 2017, by and between Company and RPI Finance Trust, as amended by Amendment No. 1 to Royalty Purchase Agreement dated as of January 7, 2022 (the "**First Amendment to Aficamten Purchase Agreement**"), and as may be further amended, restated, supplemented or otherwise modified from time to time.

"**Operating Documents**" are, for any Person, such Person's formation documents, and (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

"**Option Exercise Period**" in defined in Section 2.8(a).

"**Original Transaction**" is defined in Section 2.8(a).

"**Other Connection Taxes**" means, with respect to any Lender, Taxes imposed as a result of a present or former connection between such Lender and the jurisdiction imposing such Tax (other than connections arising from such Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan, or Loan Document).

"**Other Taxes**" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 12.1).

"**Patents**" means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

"**Payment upon Change of Control**" is calculated as of the date the COC Transaction is consummated as follows, subject to the provisos in Section 2.2(b)(i)(A):

(a) If the COC Transaction is consummated (1) prior to such time as RP has received [*] of the principal amount of the Loan, and (x) on or prior to the first anniversary of the Funding Date of the Loan, an amount equal to [*] of the principal amount of the Loan; (y) after the first anniversary of the Funding Date of the Loan and on or prior to the second anniversary of such Funding Date, an amount equal to [*] of the principal amount of the Loan; or (z) after the second anniversary of the Funding Date of the Loan, an amount equal to [*] of the principal amount of the Loan, or (2) on or after RP has received [*] of the principal amount of the Loan, the Final Payment amount for the applicable scenario; *minus*

(b) the sum, without duplication, of all payments that have been paid in cash to the Lenders pursuant to Section 2.2(b) prior to the date the COC Transaction is consummated; *plus*

(c) all Lenders' Expenses; *plus*

(d) without duplication, all other outstanding Obligations ((i) other than inchoate indemnity and expense reimbursement obligations that have not yet been asserted and (ii) other than, subject to the provisos in Section 2.2(b), Royalty payments in Scenario 1 that are due or payable for calendar quarters occurring after such time of determination as specified in Schedule 2.2(b)), plus, interest at the Default Rate, if any, pursuant to Section 2.3(b),with respect to all Obligations (other than any Royalty payments not yet due and payable for calendar quarters occurring after such cash payment is made)

The "Payment upon Change of Control" shall not be less than zero.

"**Payment upon Change of Control Make Whole Amount**" means as of any date of determination, the result of (i) the Payment upon Change of Control as of such date of determination, minus (ii) the outstanding principal amount of the Loan as of such date of determination, as calculated by RP in good faith; provided, however, that the Payment upon Change of Control Make Whole Amount shall not be less than zero.

"**Permitted Company**" means [*].

"**Permitted Convertible Indebtedness**" is defined in Section 7.4.

"**Permitted Equity Derivatives**" shall mean any forward purchase, accelerated share purchase, call option, warrant transaction or other equity derivative transactions relating to any Permitted Convertible Indebtedness of Company.

"**Permitted Investments**" means:

(a) [*];

(b) Investments by any Subsidiary that is not a Loan Party in any Loan Party or Subsidiary that is not a Loan Party;

(c) [*];

(d) [*];

(e) [*];

(f) [*]; and

(g) [*].

For the avoidance of doubt, any Investments made in compliance with clause (e)(i)(y) or clause (e)(ii)(y) of this definition or the last proviso in this definition on a certain day shall continue to be a Permitted Investment after such day, notwithstanding any [*] after such day.

"**Permitted License**" means: [*].

"**Permitted Liens**" means (a) Liens for Taxes not yet delinquent or Liens for Taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established; (b) customary banker's liens for collection or rights of set off or similar rights and remedies as to deposit accounts or other funds maintained with depositary institutions; (c) any anti-assignment provisions (solely to the extent any such assignment restriction could not be rendered ineffective pursuant to the UCC or any other applicable law or principles of equity) in any Permitted License (or in any in-license or contract, in each case, entered into in the ordinary course permitted under this Agreement); (d) Liens in the nature of right of setoff in favor of counterparties to contractual agreements with the Company in the ordinary course of business; (e) Liens securing Indebtedness permitted by clause (e) of the definition of "Permitted Secured Indebtedness" to the extent such Liens and Indebtedness is covered by a Customary Intercreditor Agreement to the extent required by (ore requested under) Section 6.11; (f) Liens on cash and cash equivalents of Company with respect to Indebtedness permitted by clause (b) or clause (c) of the definition of "Permitted Secured Indebtedness"; (g)(i) any retained rights of a licensor under any in-license entered into in the ordinary course of business or (ii) any out-bound Permitted License provided to a licensee permitted under this Agreement; and (h) any Liens in favor of Lenders or RP.

"**Permitted Secured Indebtedness**" means: [*].

"**Person**" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"**Phase 3 Success Criteria**" means, with respect to the Product, meeting the composite primary endpoint of the first event, whichever occurs first, comprising of cardiovascular death, heart failure event, LVAD implementation/cardiac transplantation, or stroke, with a hazard ratio (HR) of less than 0.85 and cardiovascular death endpoint HR of less than 1.0 in a Phase 3 Clinical Trial.

"**Phase 3 Clinical Trial**" means, with respect to the Product in any jurisdiction, a clinical trial of the Product in subjects that incorporates accepted endpoints for confirmation of statistical significance of efficacy and safety with the aim to generate data and results that can be submitted to obtain Marketing Approval for the Product in such jurisdiction.

"**Prime Rate**" means the rate of interest per annum from time to time published in the money rates section of the Wall Street Journal or any successor publication thereto as the "prime rate" then in effect; provided that if such rate of interest, as set forth from time to time in the money rates section of the Wall Street Journal, becomes unavailable for any reason, the "Prime Rate" shall be the average of the five (5) largest U.S. money center commercial banks, as determined by RP in its sole discretion.

"**Pro Rata Share**" is, as of any date of determination, with respect to each Lender, a percentage (expressed as a decimal, rounded to the ninth decimal place) determined by dividing the outstanding principal amount of Loans held by such Lender by the aggregate outstanding principal amount of all Loans.

"**Product**" means any pharmaceutical product containing or comprising omecamtiv mecarbil.

"**Product Assets**" means the Company's and its Affiliates' rights, title and interests in *omecamtiv mecarbil* (including all inventory) and Seller Patent Rights (as defined in the Omecamtiv Purchase Agreement) owned, licensed or otherwise held by the Company or any of its Affiliates and any proceeds thereof, including all accounts receivable and general intangibles resulting from the sale, license or other disposition of *omecamtiv mecarbil* by the Company or its Affiliates; provided, however, that, upon a Change of Control (as defined in the Omecamtiv Purchase Agreement) of the Company, no Patents (as defined in the Omecamtiv Purchase Agreement) owned, in-licensed or otherwise held by the acquiring entity (or any of its Affiliates existing prior to such Change of Control (as defined in the Omecamtiv Purchase Agreement) or acquired after such Change of Control (as defined in the Omecamtiv Purchase Agreement)) as of immediately prior to the closing of such Change of Control (as defined in the Omecamtiv Purchase Agreement) (or in the case of an acquired Affiliate, as of immediately prior to the closing of such acquisition) will be deemed "owned, licensed or otherwise held" for the purposes of this definition. Notwithstanding the foregoing, "Product Assets" shall not include raw materials, work in progress, deposit or securities accounts, chattel paper, instruments, cash or cash equivalents.

"**Promissory Note**" is defined in Section 2.4.

"**Purchase Agreement**" is defined in Section 3.1(j).

"**Quarterly Deadline**" means: (i) with respect to each of the first three calendar quarters in each calendar year, forty-five (45) calendar days after the end of such calendar quarter and (ii) with respect to last calendar quarter in each calendar year, seventy-five (75) calendar days after the end of such calendar quarter.

"Regular Default Payment" is a cash payment in an amount equal to the sum of (A) if the Company is (I) in [*], [*] of the principal amount of the Loan, (II) in [*], [*] of the principal amount of the Loan, plus (B) all Lenders' Expenses, plus (C) all other outstanding Obligations (other than inchoate indemnity and expense reimbursement obligations that have not yet been asserted), plus (D) interest at the Default Rate with respect to all Obligations (other than any Royalty payments not yet due and payable for calendar quarters occurring after such cash payment is made), minus (E) the sum, without duplication, of all payments that have been paid in cash to the Lenders pursuant to Section 2.2(b) prior to the date of determination. The "Regular Default Payment" shall not be less than zero.

"**Regular Default Payment Make Whole Amount**" means, as of any date of determination, the result of (i) the Regular Default Payment as of such date of determination, minus (ii) the outstanding principal amount of such Loan as of such date of determination, as calculated by RP in good faith; provided, however, that the Default Make Whole Amount shall not be less than zero.

"**Repayment Notice**" is defined in Section 2.8.

"**Representative**" means, with respect to any Person, any director, employee, attorney, independent accountant, consultant or financial advisor of such Person.

"**Required Lenders**" means Lenders holding more than fifty (50%) of the sum of (i) the outstanding principal balance of the Loans.

"**Requirement of Law**" is as to any Person, any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"**Responsible Officer**" is any of the President, Chief Executive Officer, or Chief Financial Officer of Company acting alone.

"**Ring-Fenced CK-586 Financing**" means a CK-586 Financing that meets one of the following conditions: (i) such CK-586 Financing (a) is structured as a "true sale" of royalties or revenues on customary terms and conditions for such transactions (it being agreed that the terms of the CK-586 PRA and the Purchase Agreement shall be deemed customary), and (b) does not include any put or default provisions that could result in the acceleration of payment of such royalties or revenues or a multiple of invested capital or other amounts becoming payable or liquidated damages or similar provisions, or (ii) such CK-586 Financing is effectuated through one or more CK-586 Subsidiaries and is non-recourse to Company and its other Subsidiaries (other than representations, warranties and "bad person" indemnities that are customary and market for non-recourse structured and bankruptcy remote transactions) and does not include liquidated damages or similar provisions that are recourse to Company or its other Subsidiaries.

"**Royalty**" means an amount equal to two percent (2%) of the aggregate Net Sales during each subject calendar quarter in each country in the world.

"**Royalty Purchase Territory**" means worldwide.

"**RP**" is defined in the preamble hereof.

"**SEC**" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"**Scenario 1**" means both (a) the Phase 3 Success Criteria are achieved by June 30, 2028, and (b) FDA Approval is received on or prior to December 31, 2029; provided that, if it is indeterminable whether the Company is in Scenarios 1, 2, 3, or 4, then the Company shall be deemed to be in Scenario 1.

"**Scenario 1 Royalty Payment**" is defined in Schedule 2.2(b).

"**Scenario 2**" means the Phase 3 Success Criteria are achieved by June 30, 2028, but no FDA Approval is received on or prior to December 31, 2029.

"**Scenario 3**" means the Phase 3 Success Criteria is not achieved on or prior to June 30, 2028.

"**Scenario 4**" means no Phase 3 Clinical Trial has been Initiated on or prior to June 30, 2026.

"**Solvent**" is, with respect to any Person: the fair salable value of such Person's consolidated assets (including goodwill minus disposition costs) exceeds the fair value of such Person's liabilities; such Person is not left with unreasonably small capital after the transactions in this Agreement; and such Person is able to pay its debts (including trade debts) as they mature.

"Specified Default Payment" is a cash payment in an amount equal to the sum of (A) the principal amount of the Loan, plus (B) the Specified Default Payment Make Whole Amount, plus (C) all Lenders' Expenses, plus (D) all other outstanding Obligations (other than inchoate indemnity and expense reimbursement obligation that have not yet been asserted), plus (E) interest at the Default Rate with respect to all Obligations (other than any Royalty payments not yet due and payable for calendar quarters occurring after such cash payment is made), minus (F) the sum, without duplication, of all payments that have been paid in cash to the Lenders pursuant to Section 2.2(b) prior to the date of determination. The "Specified Default Payment" shall not be less than zero.

"**Specified Default Payment Make Whole Amount**" means, as of any date of determination, the result of (A) if the Company is (I) in Scenario 1, the sum of the present values of (a) (i) all unpaid Scheduled Payments set forth on Schedule 2.2(b), with the Royalty with respect thereto to be calculated based on projected Net Sales using projections of Wall Street sell-side analysts then covering Company, and (ii) all unpaid payments described in Section 2.2(b)(B)(y)-(z), in each case of clauses (a)(i) and (a)(ii) discounted to the date of determination at the Treasury Rate plus 0.50% and, for purposes of calculating such present values, if FDA Approval has not occurred prior to the date of determination, such FDA Approval shall be assumed to have occurred on the date of determination, (II) in Scenario 2, Scenario 3 or Scenario 4, the sum of the present values of all unpaid Scheduled Payments, discounted to the date of determination at the Treasury Rate plus 0.50%, minus (B) the outstanding principal amount of such Loan as of such date of determination, as calculated by RP in good faith; provided, however, that the Specified Default Payment Make Whole Amount shall not be less than zero.

"**Subsidiary**" is, with respect to any Person, any Person of which more than fifty percent (50%) of the voting stock or other Equity Interests (in the case of Persons other than corporations) is owned or controlled, directly or indirectly, by such Person or through one or more intermediaries. Unless the context otherwise requires, "**Subsidiary**" means a direct or indirect Subsidiary of Company.

"**Taxes**" is defined in Section 2.6.

"**Third Amendment to 2022 DFA**" has the meaning set forth in the definition of 2022 DFA.

"**Third Party**" means any party other than RP, any Lender, Company, any other Loan Party and each of their respective Affiliates and related funds.

"**Topping Transaction**" is defined in Section 2.8(a).

"**Trademarks**" means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Company connected with and symbolized by such trademarks.

"**Transfer**" is defined in Section 7.1.

"**Transaction Agreements**" means (a) the 2022 DFA, (b) the Concurrent Agreements, (c) the Existing Purchase Documents and (d) any documents related to any of the foregoing in clauses (a), (b) or (c).

"**Treasury Rate**" means as of any date, the rate of interest per annum on U.S. Treasury Notes having a maturity of 10 years as shown in the 10 year listing in the "this week" column under the heading "Treasury Constant Maturities" of the FEDERAL RESERVE statistical release FORM H 15 which has been most recently published (or, if for any reason that published rate as of a date not more than ten (10) days prior to the date of determination is not available, another rate determined by RP to be comparable, in its reasonable discretion, will be used for this purpose).

"**Triggering CK-586 Financing**" means a CK-586 Financing that is not a Ring-Fenced CK-586 Financing and is not entered into with a Lender (or Royalty Pharma Investments 2019 ICAV).

"**True-Up Payment**" means a cash payment in an amount equal to the result of (A) a First 18Q Royalty Component Payment Amount that would be payable with respect to a calendar quarter, minus (B) the Floor Amount (if any) for such calendar quarter; provided, however, that the True-Up Payment shall not be less than zero.

"**UCC**" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

COMPANY:

CYTOKINETICS, INCORPORATED

By: /s/ Robert I. Blum

Name: Robert I. Blum

Title: President & Chief Executive Officer

LENDER:

ROYALTY PHARMA DEVELOPMENT FUNDING, LLC

By: Royalty Pharma Holdings, Ltd., its Manager

By: /s/ George Lloyd

Name: George Lloyd

Title: Director

Schedule 2.2(b)
Payment Schedule

Calendar Quarter*	**Payment Amount*** (each fixed dollar amount specified in each row below in this column is referred to as a "**Floor Amount**")
1st	Greater of the Royalty or $5,000,000
2nd	Greater of the Royalty or $5,000,000
3rd	Greater of the Royalty or $5,000,000
4th	Greater of the Royalty or $5,000,000
5th	Greater of the Royalty or $6,000,000
6th	Greater of the Royalty or $6,000,000
7th	Greater of the Royalty or $6,000,000
8th	Greater of the Royalty or $6,000,000
9th	Greater of the Royalty or $8,000,000
10th	Greater of the Royalty or $8,000,000
11th	Greater of the Royalty or $8,000,000
12th	Greater of the Royalty or $8,000,000
13th	Greater of the Royalty or $8,000,000
14th	Greater of the Royalty or $8,000,000
15th	Greater of the Royalty or $8,000,000
16th	Greater of the Royalty or $8,000,000
17th	Greater of the Royalty or $8,000,000
18th	Greater of the Royalty or $8,000,000
19th and thereafter	The Royalty The aggregate Payment Amounts in this chart for the 19th calendar quarter and each calendar quarter thereafter are referred to as "**Scenario 1 Royalty Payment**". The Royalty component of any Payment Amount for any calendar quarter prior to the 19th calendar quarter in this chart is referred to as a "**First 18Q Royalty Component Payment Amount**".

*Commencing and payable in accordance with Section 2.2(b).

Exhibit 10.6

[*] – CERTAIN INFORMATION IN THIS DOCUMENT HAS BEEN EXCLUDED PURSUANT TO REGULATION S-K, ITEM 601(B)(10). SUCH EXCLUDED INFORMATION IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

CK-586 Revenue Participation Right Purchase Agreement

By and Between

Cytokinetics, Incorporated

and

Royalty Pharma Investments 2019 ICAV

Dated as of May 22, 2024

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CK-586 REVENUE PARTICIPATION RIGHT PURCHASE AGREEMENT

This CK-586 Revenue Participation Right Purchase Agreement, dated as of May 22, 2024, (this "Agreement"), is made and entered into by and between **Royalty Pharma Investments 2019 ICAV**, an Irish collective asset-management vehicle (the "Buyer"), and **Cytokinetics, Incorporated**, a Delaware corporation (the "Seller").

W I T N E S S E T H:

WHEREAS, the Seller is in the business of, among other things, developing and commercializing the Product;

Whereas, the Buyer desires to acquire the Revenue Participation Right from the Seller in exchange for payment of the Purchase Price, and the Seller desires to sell the Revenue Participation Right to the Buyer in exchange for the Buyer's payment of the Purchase Price, in each case on the terms and conditions set forth in this Agreement; and

Whereas, the parties intend to close the transactions contemplated by this Agreement and the transactions contemplated by the other Transaction Agreements substantially concurrently.

Now Therefore, in consideration of the representations, warranties, covenants and agreements set forth herein and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Seller and the Buyer hereby agree as follows:

ARTICLE 1

PURCHASE, SALE AND ASSIGNMENT OF THE REVENUE PARTICIPATION RIGHT

Section 1.1 Purchase, Sale and Assignment . Upon the terms and subject to the conditions of this Agreement, on the date hereof, in exchange for the Buyer's payment of the Initial Purchase Price, (i) the Seller shall sell, transfer, assign and convey to the Buyer, and the Buyer shall purchase, acquire and accept from the Seller, all of the Seller's right, title and interest in and to the Revenue Participation Right free and clear of all Liens (other than Liens created by the Buyer) and (ii) the Seller shall sell and convey to the Buyer, and the Buyer shall purchase and accept from the Seller, the Additional Investment Opt-In Right. For the avoidance of doubt, the Revenue Participation Right does not represent any right, title or interest in the Intellectual Property Rights.

Section 1.2 Purchase Price. The purchase price for the Revenue Participation Right shall consist of the Initial Purchase Price and, if the Buyer exercises the Additional Investment Opt-In Right in accordance with Section 2.3, the Additional Investment Payments (collectively with the Initial Purchase Price, the "Purchase Price"). Subject to the conditions precedent set forth in Article 4, on the date hereof, the Buyer shall pay to the Seller an initial purchase price in an amount of Fifty Million Dollars ($50,000,000) (the "Initial Purchase Price"). The Additional Investment Payments, if any, shall be paid in accordance with Section 2.3.

Section 1.3 No Assumed Obligations, Etc . Notwithstanding any provision in this Agreement to the contrary or any other agreement between the parties or their Affiliates, the Buyer is only agreeing, on the terms and conditions set forth in this Agreement, to purchase, acquire and accept the Revenue Participation Right and is not assuming any liability or obligation of the Seller of whatever nature, whether presently in existence or arising or asserted hereafter.

Section 1.4 True Sale. It is the intention of the parties hereto that the sale, transfer, assignment and conveyance of the Revenue Participation Right contemplated by this Agreement be, and is, a true, complete, absolute and irrevocable sale, transfer, assignment and conveyance by the Seller to the Buyer of all of the Seller's right, title and interest in and to the Revenue Participation Right. Neither the Seller nor the Buyer intends the transactions contemplated by this Agreement to be, or for any purpose characterized as, a loan from the Buyer to the Seller, a financing transaction or a borrowing. It is the intention of the parties hereto that the beneficial interest in and title to the Revenue Participation Right and any "proceeds" (as such term is defined in the UCC) thereof shall not be part of the Seller's estate in the event of the filing of a petition by or against the Seller under any Bankruptcy Laws. The Seller hereby waives, to the maximum extent permitted by applicable law, any right to contest or otherwise assert that this Agreement does not constitute a true, complete, absolute and irrevocable sale, transfer, assignment and conveyance by the Seller to the Buyer of all of the Seller's right, title and interest in and to the Revenue Participation Right under applicable laws, which waiver shall, to the maximum extent permitted by applicable laws, be enforceable against the Seller in any bankruptcy or insolvency proceeding relating to the Seller. Accordingly, the Seller shall treat the sale, transfer, assignment and conveyance of the Revenue Participation Right as a sale of "accounts" or "payment intangibles" (as appropriate) in accordance with the UCC, and the Seller hereby authorizes the Buyer to file financing statements (and continuation statements with respect to such financing statements when applicable) naming the Seller as the debtor and the seller and the Buyer as the secured party and the buyer in respect of the Revenue Participation Right. Not in derogation of the foregoing statement of the intent of the parties hereto in this regard, and for the purposes of providing additional assurance to the Buyer in the event that, despite the intent of the parties hereto, the sale, transfer, assignment and conveyance contemplated hereby is hereafter held not to be a sale, the Seller does hereby grant to the Buyer, as security for the payment of amounts to the Buyer equal to the Funded Amount (including a market rate of return thereon) and all other obligations of the Seller hereunder, less all Royalty Payments received by the Buyer pursuant to this Agreement, a security interest in and to all right, title and interest in, to and under the Revenue Participation Right, the Royalty, the Royalty Payments (including, for the avoidance of doubt, accounts and payment intangibles (each as defined in the UCC) of the Seller that comprise the Revenue Participation Right or Royalties or "proceeds" (as defined in the UCC) thereof), the Product Assets, all products and proceeds (as defined in the UCC) of any of the foregoing and all deposit accounts and securities accounts with respect to which any of the Royalty Payments and "proceeds" (as defined in the UCC) are maintained, whether now owned or existing or hereafter acquired or arising (the "Back-Up Security Interest", and all such assets covered by, or included in, the Back-Up Security Interest, the "Collateral"), and the Seller does hereby authorize the Buyer, from and after the date hereof, to file such financing statements (and continuation statements with respect to such financing statements when applicable) in such manner and such jurisdictions as are necessary or appropriate to perfect the Back-Up Security Interest; provided that such Back-Up Security Interest shall be terminated without any action or notice of any party upon termination of this Agreement as provided in Section 7.1, Section 7.2, Section 7.3 or Section 7.4. Following the termination of the Back-Up Security Interest in accordance with the proviso in the immediately preceding sentence, upon the Seller's request, the Buyer shall, at the expense of the Seller, file a UCC-3 termination statement terminating the Back-Up Security Interest.

ARTICLE 2

CLOSING

Section 2.1 Closing. The closing shall take place on the date hereof subject to the conditions set forth in Article 4 having been satisfied, or at such other place, time and date as the parties hereto may mutually agree.

Section 2.2 Payment of Initial Purchase Price. On the date hereof, the Buyer shall pay to the Seller the Initial Purchase Price by wire transfer of immediately available funds to one or more accounts specified by the Seller.

Section 2.3 Additional Investment Opt-In Right; Payment of Additional Investment Payments.

(a) If the Seller decides, in the Seller's sole discretion, to initiate the Triggering HFpEF Trial, and the board of directors of the Seller has formally approved such decision unconditioned on the Buyer electing to fund the Additional Investment Payments, then the Seller shall promptly notify the Buyer in writing of such decision (the "Triggering HFpEF Trial Notice"), which notice shall be accompanied by the Study Budget and the Board Certification. Within [*] days following the Buyer's receipt of the Triggering HFpEF Trial Notice and all Triggering HFpEF Trial Information, the Buyer shall have the option, in the Buyer's sole discretion, to elect to fund the Additional Investment Payments and receive the Milestone Right (such option, the "Additional Investment Opt-In Right") by delivering written notice of such exercise to the Seller. During such [*] period, the Seller shall promptly provide to the Buyer such additional information related to the Triggering HFpEF Trial Notice and Triggering HFpEF Trial Information as the Buyer may reasonably request.

(b) If the Buyer exercises the Additional Investment Opt-In Right in accordance with Section 2.3(a), the Buyer shall pay the Seller up to One Hundred Fifty Million Dollars ($150,000,000) (the "Maximum Additional Investment Amount") by making a series of quarterly payments to the Seller in accordance with the procedures set forth in Section 2.3(c) below.

(c) No later than [*] after the end of each calendar quarter, beginning with the calendar quarter following the Triggering HFpEF Trial Initiation, the Seller shall request that the Buyer pay [*] of the total R&D Cost for the next calendar quarter (each, an "Additional Investment Payment") by providing an invoice to the Buyer setting forth (x) a summary in reasonable detail of the R&D Cost for such quarter and (y) the amount of such Additional Investment Payment. Upon receipt of each such invoice, the Buyer shall promptly (and in any event within [*] Business Days of receipt of such invoice) pay the Additional Investment Payment specified in such invoice by wire transfer of immediately available funds to one or more accounts specified by the Seller for the Seller's use in paying the R&D Cost.

(d) Notwithstanding the foregoing, if the Seller is in material breach of this Agreement, the Buyer's obligations under Sections 2.3(b) and (c) shall be suspended from the date of the Buyer's written notice to the Seller of such breach until the Seller has cured such breach; provided that once such material breach has been cured, Buyer shall promptly make any payments that would have been made but for such suspension.

(e) The Buyer's obligation to pay Additional Investment Payments will cease upon the first to occur of (a) the date on which the aggregate Additional Investment Payments paid to the Seller reaches the Maximum Additional Investment Payment Amount (including if the Buyer pays the Top-Up Payment as provided in Section 5.12), (b) delivery of written notice from the Seller to the Buyer that the aggregate R&D Cost will be less than [*] (provided that the Buyer's right to pay the Top-Up Payment as provided in Section 5.12 will remain in effect) and (c) the date on which this Agreement is terminated pursuant to Section 7.1, Section 7.2, Section 7.3 (subject to Section 7.6) or Section 7.4.

Section 2.4 Bill of Sale. On the date hereof, the Seller shall deliver to the Buyer a duly executed bill of sale evidencing the sale, transfer, assignment and conveyance of the Revenue Participation Right in form attached hereto as Exhibit A.

Section 2.5 Form W-9 . On the date hereof, the Seller shall deliver to the Buyer a valid, properly executed IRS Form W-9 certifying the Seller's U.S. tax identification number and that the Seller is exempt from U.S. federal "backup" withholding tax. The Seller acknowledges that the Buyer may provide or disclose such documentation to the U.S. Internal Revenue Service or other governmental authorities or agencies. The Buyer may request an updated IRS Form W-9 prior to paying any Additional Investment Payments.

Section 2.6 [*].

ARTICLE 3

REPRESENTATIONS AND WARRANTIES

Section 3.1 Seller's Representations and Warranties . The Seller represents and warrants to the Buyer that as of the date hereof:

(a) Existence; Good Standing. The Seller is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. The Seller is duly licensed or qualified to do business and is in corporate good standing in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned, leased or operated by it makes such licensing or qualification necessary, except where the failure to be so licensed or qualified and in corporate good standing has not and would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(b) Authorization. The Seller has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary corporate action on the part of the Seller.

(c) Enforceability. This Agreement has been duly executed and delivered by an authorized officer of the Seller and constitutes the valid and binding obligation of the Seller, enforceable against the Seller in accordance with its terms, except as may be limited by applicable Bankruptcy Laws or by general principles of equity (whether considered in a proceeding in equity or at law).

(d) No Conflicts. The execution, delivery and performance by the Seller of this Agreement and the consummation of the transactions contemplated hereby do not and will not (i) contravene or conflict with the certificate of incorporation or bylaws of the Seller, (ii) contravene or conflict with or constitute a default under any law or Judgment binding upon or applicable to the Seller except for such contraventions, conflicts, breaches or defaults that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect or contravene or conflict with or constitute a material default under any material agreement binding upon or applicable to the Seller.

(e) Consents. Except for the consents that have been obtained on or prior to the date hereof or filings required by the federal securities laws or stock exchange rules, no consent, approval, license, order, authorization, registration, declaration or filing with or of any Governmental Entity or other Person is required to be done or obtained by the Seller in connection with (i) the execution and delivery by the Seller of this Agreement, (ii) the performance by the Seller of its obligations under this Agreement or (iii) the consummation by the Seller of any of the transactions contemplated by this Agreement.

(f) No Litigation. There is no action, suit, investigation or proceeding pending, or, to the Knowledge of the Seller, threatened (in writing) before any Governmental Entity to which the Seller is a party that, individually or in the aggregate would reasonably be expected to have a Material Adverse Effect.

(g) Compliance.

(i) All applications, submissions, information and data related to the Product submitted or utilized as the basis for any request to the FDA, the EMA, the MHRA or the PMDA by or on behalf of the Seller were true and correct in all material respects as of the date of such submission or request, and any material updates, changes, corrections or modification to such applications, submissions, information or data required under applicable laws or regulations have been submitted to the necessary Regulatory Authorities.

(ii) The Seller has not committed any act, made any statement or failed to make any statement in respect of the Product that would reasonably be expected to provide a basis for the FDA to invoke its policy with respect to "***Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities***", or any other Regulatory Authority to invoke similar policies, set forth in any applicable laws or regulations.

(iii) The Seller has provided to the Buyer prior to the date hereof true, correct and complete copies of all material written communications sent or received by the Seller and its Affiliates, to or from the FDA, the EMA, the MHRA or the PMDA that relate to the Product since January 1, 2018.

(iv) Since January 1, 2019, (A) there have been no Safety Notices, (B) to the Knowledge of the Seller, there are no unresolved material product complaints with respect to the Product, which would reasonably be expected to result in a Material Adverse Effect, and (C) to the Knowledge of the Seller, there are no facts currently in existence that would, individually or in the aggregate, reasonably be expected to result in a material Safety Notice with respect to the Product. Except as set forth in Schedule 3.1(g) of the Disclosure Schedule, the Seller has not experienced any significant failures in the manufacturing of the Product for clinical use or commercial sale that have not been resolved, or that would, individually or in the aggregate, have had or would reasonably be expected to result in, if such failure occurred again, a Material Adverse Effect.

(v) The Seller is and has been in compliance with all applicable laws administered or issued by the FDA or any similar Regulatory Authority, including the Federal Food, Drug, and Cosmetic Act, applicable requirements in FDA regulations, and any orders issued by FDA or similar Regulatory Authorities, and all other laws regarding ownership, developing, testing, manufacturing, packaging, storage, import, export, disposal, marketing, distributing, promoting, and complaint handling or adverse event reporting for the products of the Seller, except to the extent that such failure to comply with such applicable laws would not reasonably be expected to result in a Material Adverse Effect.

(h) Licenses and Other Agreements.

(i) In-Licenses. There are no In-Licenses.

(ii) Out-Licenses. There are no Out-Licenses.

(i) No Liens; Title to Revenue Participation Right. None of the Collateral is subject to any Lien, except for Permitted Liens solely with respect to the Product Rights. Upon payment of the Initial Purchase Price by the Buyer, the Buyer will have acquired, subject to the terms and conditions set forth in this Agreement, good and marketable title to the Revenue Participation Right, free and clear of all Liens (other than Liens created by the Buyer).

(j) Intellectual Property.

(i) Schedule 3.1(j)(i) of the Disclosure Schedule lists all of the existing Patents included within the Patent Rights. Except as set forth on Schedule 3.1(j)(i) of the Disclosure Schedule, the Seller is the sole and exclusive owner of all of the existing Patent Rights. Schedule 3.1(j)(i) of the Disclosure Schedule specifies as to each listed patent or patent application the jurisdictions by or in which each such patent has issued as a patent or such patent application has been filed, including the respective patent or application numbers. Schedule 3.1(j)(i) of the Disclosure Schedule specifies any Person other than the Seller owning or having an interest in such Patent Right, including the nature of such interest.

(ii) The Seller has not received any written notice from any Third Party challenging the inventorship or ownership of the rights of the Seller in and to, or the patentability, validity or enforceability of, any of the existing Patent Rights, or asserting or alleging that the development, manufacture or importation of the Product prior to the date hereof infringed or misappropriated the intellectual property rights of such Third Party or that the development, manufacture, importation, sale, offer for sale or use of the Product will infringe, misappropriate or otherwise violate the intellectual property rights of such Third Party.

(iii) Except as disclosed in Schedule 3.1(j)(iii), all of the issued patents within the existing Patent Rights are (A) to the Knowledge of the Seller, valid and enforceable, and (B) in full force and effect. None of the issued patents within the existing Patent Rights have lapsed, expired or otherwise terminated. The Seller has not received any notice relating to the lapse, expiration or other termination of any of the issued patents within the existing Patent Rights, and the Seller has not received any written legal opinion that alleges that, an issued patent within any of the existing Patent Rights is invalid or unenforceable.

(iv) The Seller has not received any written notice that there is any, and, to the Knowledge of the Seller, there is no, Person who is or claims to be an inventor under any of the existing Patent Rights who is not a named inventor thereof.

(v) To the Knowledge of the Seller, no Person has infringed, misappropriated or otherwise violated, or is infringing, misappropriating or otherwise violating, any of the existing Patent Rights.

(vi) There is no pending or, to the Knowledge of the Seller, threatened (in writing), adverse actions, claims, suits or proceedings against the Seller or any of its Affiliates involving the Intellectual Property Rights or the Product. The Seller is not a party to any pending and, to the Knowledge of the Seller, there is no threatened litigation, interference, reexamination, opposition, *inter partes* or post-grant review, investigation or like procedure involving any of the existing Patent Rights.

(vii) **[*]**.

(viii) The Seller has paid all maintenance fees, annuities and like payments required as of the date hereof with respect to each of the existing Patent Rights.

(k) Subsidiaries; Indebtedness. Schedule 3.1(k) of the Disclosure Schedule sets forth a complete list of each of (a) the Seller's Subsidiaries and (b) the outstanding Indebtedness of the Seller and its Subsidiaries. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Seller's Subsidiaries are (x) duly incorporated or organized, validly existing and in good standing under its applicable jurisdiction of organization and (y) duly licensed or qualified to do business and in good corporate standing in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned, leased or operated by it makes such licensing or qualification necessary.

(l) Foreign Corrupt Practices Act. Neither the Seller nor, to the Knowledge of the Seller, any of its directors, officers, employees or agents, while acting on behalf of the Seller, have, directly or indirectly, made, offered, promised or authorized any payment or gift of any money or anything of value to or for the benefit of any "foreign official" (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA")), foreign political party or official thereof or candidate for foreign political office for the purpose of (i) influencing any official act or decision of such official, party or candidate, (ii) inducing such official, party or candidate to use his, her or its influence to affect any act or decision of a foreign governmental authority, or (iii) securing any improper advantage, in the case of (i), (ii) and (iii) above in order to assist the Seller or any of its Affiliates in obtaining or retaining business for or with, or directing business to, any person. Neither the Seller nor, to the Knowledge of the Seller, any of its directors, officers, employees or agents, while acting on behalf of the Seller, have made or authorized any bribe, improper rebate, payoff, influence payment, kickback or other unlawful payment of funds or received or retained any funds in violation of any applicable law, rule or regulation. The Seller further represents that it has maintained, and has caused each of its Subsidiaries to maintain, systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) and written policies designed to ensure compliance with the FCPA or any other applicable anti-bribery or anti-corruption law, and designed to ensure that all books and records of the Seller accurately and fairly reflect, in reasonable detail, all transactions and dispositions of funds and assets. To the Knowledge of the Seller, neither the Seller nor any of its officers, directors or employees are the subject of any allegation, voluntary disclosure, investigation, prosecution or other enforcement action by any Governmental Entity related to the FCPA or any other anti-corruption law. **[*]**.

(m) UCC Representation and Warranties. The Seller's exact legal name is, and for the immediately preceding ten (10) years has been, "***Cytokinetics, Incorporated***". The Seller is, and for the prior ten years has been, a corporation incorporated in the State of Delaware.

(n) Brokers' Fees. Other than the fees payable to Evercore Group LLC, there is no investment banker, broker, finder, financial advisor or other intermediary who has been retained by or is authorized to act on behalf of the Seller who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

(o) Public Company Reporting Obligations. The Seller has filed or furnished (as applicable) with or to the SEC all annual, quarterly and mandatory current reports required to be filed or furnished by the Seller with or to the SEC, and the Seller's financial statements included therein have been or will be prepared in accordance with accounting principles generally accepted in the United States and such financial statements fairly present in all material respects the financial condition and operating results of the Seller as of the dates, and for the periods, indicated therein, subject in the case of the unaudited financial statements to normal year-end audit adjustments and the absence of footnotes.

(p) Provision of Information. All written information made available by or on behalf of the Seller, as redacted to remove highly confidential information such as chemical, manufacturing and patient details, to the Buyer or its Affiliates in connection with this Agreement was (when provided) and is (as of the date hereof), to the Knowledge of the Seller, subject solely to such redactions, true and accurate in all material respects; and the Seller has not knowingly or negligently failed to disclose to the Buyer any information related to the Product or the Intellectual Property Rights in its or its Affiliates' control or possession, or of which the Seller is aware, that would be reasonably necessary to make any information related to the Product or the Intellectual Property Rights, as applicable, that has been disclosed to the Buyer prior to the date hereof not misleading in any material respect.

Section 3.2 Buyer's Representations and Warranties . The Buyer represents and warrants to the Seller that as of the date hereof:

(a) Existence; Good Standing. The Buyer is an Irish collective asset-management vehicle duly organized, validly existing and in good standing under the laws of Ireland. The Buyer is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned, leased or operated by it makes such licensing or qualification necessary, except where the failure to be so licensed or qualified and in good standing has not and would not reasonably be expected to have, either individually or in the aggregate, a material adverse effect on the business of the Buyer or the ability of the Buyer to enter into and to perform its obligations under this Agreement.

(b) Authorization. The Buyer has the requisite corporate or analogous right, power and authority to execute, deliver and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary action on the part of the Buyer.

(c) Enforceability. This Agreement has been duly executed and delivered by an authorized person of the manager of the Buyer and constitutes the valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, except as may be limited by applicable Bankruptcy Laws or by general principles of equity (whether considered in a proceeding in equity or at law).

(d) No Conflicts. The execution, delivery and performance by the Buyer of this Agreement and the consummation of the transactions contemplated hereby do not and will not (i) contravene or conflict with the organizational documents of the Buyer, (ii) contravene or conflict with or constitute a default under any law or Judgment binding upon or applicable to the Buyer except for such contraventions, conflicts, breaches or defaults that, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the ability of the Buyer to enter into and to perform its material obligations under this Agreement, or (iii) contravene or conflict with or constitute a material default under any material agreement binding upon or applicable to the Buyer.

(e) Consents. Except for any filings required by the federal securities laws or stock exchange rules, no consent, approval, license, order, authorization, registration, declaration or filing with or of any Governmental Entity or other Person is required to be done or obtained by the Buyer in connection with (i) the execution and delivery by the Buyer of this Agreement, (ii) the performance by the Buyer of its obligations under this Agreement or (iii) the consummation by the Buyer of any of the transactions contemplated by this Agreement.

(f) No Litigation. There is no action, suit, investigation or proceeding pending or, to the knowledge of the Buyer, threatened (in writing) before any Governmental Entity to which the Buyer is a party that would reasonably be expected to prevent or materially and adversely affect the ability of the Buyer to perform its obligations under this Agreement.

(g) Financing. The Buyer has and will have sufficient cash on hand to pay the Purchase Price in accordance with the terms of this Agreement. The Buyer acknowledges that its obligations under this Agreement are not contingent on obtaining financing.

(h) Brokers' Fees. There is no investment banker, broker, finder, financial advisor or other intermediary who has been retained by or is authorized to act on behalf of the Buyer who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

(i) Access to Information. The Buyer acknowledges that it has (a) reviewed Seller's documents and information relating to the Product (including any relevant registration statements and periodic reports filed by the Seller with the SEC) and (b) had the opportunity to ask such questions of, and to receive answers from, representatives of the Seller concerning the Product, in each case, as it deemed necessary to make an informed decision to enter into this Agreement. The Buyer has such knowledge, sophistication and experience in financial and business matters that it is capable of evaluating the risks and merits of entering into the transaction contemplated by this Agreement.

Section 3.3 No Implied Representations and Warranties; Reservation of Rights. THE BUYER ACKNOWLEDGES AND AGREES THAT, OTHER THAN THE EXPRESS REPRESENTATIONS AND WARRANTIES OF THE SELLER SPECIFICALLY CONTAINED IN THIS ARTICLE 3, (A) THERE ARE NO REPRESENTATIONS OR WARRANTIES OF THE SELLER EITHER EXPRESSED OR IMPLIED WITH RESPECT TO THE PATENT RIGHTS, THE REVENUE PARTICIPATION RIGHT OR OTHERWISE AND THAT THE BUYER DOES NOT RELY ON, AND SHALL HAVE NO REMEDIES IN RESPECT OF, ANY REPRESENTATION OR WARRANTY NOT SPECIFICALLY SET FORTH IN THIS ARTICLE 3, AND ALL OTHER REPRESENTATIONS AND WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED, AND (B) NOTHING CONTAINED HEREIN GUARANTEES THAT THE SELLER OR ANY OF ITS AFFILIATES OR LICENSEES WILL RECEIVE MARKETING APPROVAL AND/OR ANY OTHER APPROVALS NECESSARY FOR THE SALE OR COMMERCIALIZATION OF ANY PRODUCT, THAT THE SELLER WILL ACHIEVE ANY SALES OF THE PRODUCT OR THAT SALES OF THE PRODUCT OR THE AGGREGATE ROYALTIES DUE TO THE BUYER WILL ACHIEVE ANY SPECIFIC AMOUNT. EXCEPT FOR THE REVENUE PARTICIPATION RIGHT, THE BACK-UP SECURITY INTEREST AND BUYER'S RIGHTS UNDER SECTION 5.5, THE BUYER FURTHER ACKNOWLEDGES AND AGREES THAT NO LICENSES, ASSIGNMENTS, OR OTHER RIGHTS UNDER ANY ASSETS (INCLUDING THE PATENT RIGHTS OR ANY OTHER INTELLECTUAL PROPERTY RIGHTS) OF THE SELLER AND ITS AFFILIATES OR RIGHTS RELATED THERETO ARE GRANTED PURSUANT TO THIS AGREEMENT, INCLUDING BY IMPLICATION, ESTOPPEL, EXHAUSTION OR OTHERWISE.

ARTICLE 4

CONDITIONS TO CLOSING

Section 4.1 Conditions to the Buyer's Obligations. The obligations of the Buyer to consummate the transactions contemplated hereunder on the date hereof are subject to the satisfaction or waiver, at or prior to the date hereof, of each of the following conditions precedent:

(a) The Seller shall have performed and complied in all material respects with all agreements, covenants, obligations and conditions required to be performed and complied with by it under this Agreement on the date hereof.

(b) The representations and warranties of the Seller contained in Section 3.1 are true and correct in all material respects on the date hereof; provided, that to the extent that any such representation or warranty is qualified by the term "material" or "Material Adverse Effect" such representation or warranty (as so written, including the term "material" or "Material Adverse Effect") is true and correct in all respects. The Buyer shall have received a certificate executed by an authorized officer of the Seller on the date hereof certifying on behalf of the Seller to the effect of the foregoing.

(c) The Seller shall have delivered to the Buyer each of the Seller's duly executed Transaction Agreements.

(d) The Buyer shall have received a valid, properly executed Internal Revenue Service Form W-9 certifying that the Seller is exempt from U.S. federal "backup" withholding Tax.

(e) The Seller shall have delivered to the Buyer the legal opinions of Cooley LLP as corporate counsel to the Seller, in substantially the form attached hereto as Exhibit B.

(f) The Buyer shall have received a certificate of the Secretary or an Assistant Secretary of the Seller, dated the date hereof, certifying as to (i) the incumbency of each officer of each such Seller executing this Agreement and (ii) the attached thereto copies of (A) the Seller's certificate of incorporation, (B) bylaws and (C) resolutions adopted by the Seller's Board of Directors authorizing the execution and delivery and performance by the Seller of this Agreement and the consummation by the Seller of the transactions contemplated hereby.

(g) There shall not have been issued and be in effect any Judgment of any Governmental Entity enjoining, preventing or restricting the consummation of the transactions contemplated by this Agreement.

(h) There shall not have been instituted or be pending any action or proceeding by any Governmental Entity or any other Person (i) challenging or seeking to make illegal, to delay materially or otherwise directly or indirectly to restrain or prohibit the consummation of the transactions contemplated hereby, (ii) seeking to obtain material damages in connection with the transactions contemplated hereby or (iii) seeking to restrain or prohibit the Buyer's purchase, or the Seller's sale, of the Revenue Participation Right.

Section 4.2 Conditions to the Seller's Obligations. The obligations of the Seller to consummate the transactions contemplated hereunder on the date hereof are subject to the satisfaction or waiver, at or prior to the date hereof, of each of the following conditions precedent:

(a) The Buyer shall have performed and complied in all material respects with all agreements, covenants, obligations and conditions required to be performed and complied with by it under this Agreement on the date hereof.

(b) The representations and warranties of the Buyer contained in Section 3.2 are true and correct in all material respects as of the date hereof; provided, that to the extent that any such representation or warranty is qualified by the term "material," or "material adverse effect" such representation or warranty (as so written, including the term "material" or "material adverse effect") is true and correct in all respects. The Seller shall have received a certificate executed by an authorized person of RP Management, LLC, as manager of the Buyer on the date hereof certifying on behalf of the Seller to the effect of the foregoing.

(c) The Seller shall have received a valid, properly executed Internal Revenue Service Form W-8BEN-E certifying that the Buyer is exempt from U.S. federal "backup" withholding Tax and eligible for a 0% rate of withholding pursuant to the U.S.-Ireland tax treaty.

(d) The Seller shall have received a certificate of an authorized officer of the manager of the Buyer, dated the date hereof, certifying as to the incumbency of the officer executing this Agreement on behalf of the Buyer.

(e) The Buyer shall have delivered to the Seller each of the Buyer's (or Royalty Pharma Development Funding, LLC's, as applicable) duly executed Transaction Agreements.

(f) There shall not have been issued and be in effect any Judgment of any Governmental Entity enjoining, preventing or restricting the consummation of the transactions contemplated by this Agreement.

(g) There shall not have been instituted or be pending any action or proceeding by any Governmental Entity or any other Person (i) challenging or seeking to make illegal, to delay materially or otherwise directly or indirectly to restrain or prohibit the consummation of the transactions contemplated hereby, (ii) seeking to obtain material damages in connection with the transactions contemplated hereby or (iii) seeking to restrain or prohibit the Buyer's purchase, or the Seller's sale, of the Revenue Participation Right.

ARTICLE 5

COVENANTS

Section 5.1 Reporting; Other Information.

(a) From and after the date hereof, the Seller shall provide the Buyer (or Buyer's counsel as provided below) reports (the "Update Report") setting forth the Intellectual Property Updates, Regulatory Updates, Clinical Updates, Commercial Updates, any material CMC updates and, if the Buyer exercises its Additional Investment Opt-In Right, any material changes to the Study Budget following such exercise, in each case, with respect to the most recently ended calendar quarter on or prior to the Quarterly Deadline for such calendar quarter. The Seller shall also provide the Buyer with such additional information regarding the updates included in each Update Report as the Buyer may reasonably request from time to time. The Seller shall include in each Update Report as applicable any details as to the achievement of any development, sales, regulatory or other milestone event set forth in each Out-License. The Seller shall prepare and maintain, shall cause its Affiliates (if applicable) to prepare and maintain, and use Specified Efforts to include in any future Out-License a provision requiring each Licensee to prepare and maintain, reasonably complete and accurate records of the information to be disclosed in each Update Report and to disclose such information to Seller to enable the disclosures of such information in each Update Report, as contemplated herein. [*]. All Update Reports, and the Confidential Information contained therein, shall be the Confidential Information of Seller and subject to the obligations of confidentiality set forth in Article

8. Notwithstanding the foregoing, (i) in lieu of providing any written Update Reports, at the option of the Seller, the Seller may provide such updates at quarterly telephonic meetings with the representatives of the Buyer, and (ii) the Seller may limit disclosure of any Intellectual Property Updates to Buyer's counsel.

(b) The Seller may redact or otherwise exclude from any Update Report (i) any information, the redaction or exclusion of which is reasonably required to comply with applicable laws (including those related to patient information and privacy laws) or confidentiality provisions in any Out-License and (ii) any information that does not relate to the Revenue Participation Right, the Patent Rights or the Product; provided that the Seller shall provide to the Buyer a reasonable summary of any information that is redacted, to the extent permitted by applicable law and, solely in the case of information falling under clause (ii) above, to the extent permitted by any obligations of confidentiality to any Third Party.

(c) The Seller shall promptly provide the Buyer with each of the items described in the definition of Triggering HFpEF Trial Information as soon as each such item becomes available; provided that the initial Study Budget may be delivered to the Buyer concurrently with the Triggering HFpEF Trial Notice.

Section 5.2 Royalty Payments; Royalty Reports.

(a) From and after the date hereof, the Seller shall pay to the Buyer the Royalty Payment, without any setoff or offset (except as required pursuant to Section 9.16), for such calendar quarter on or prior to the Quarterly Deadline; provided that for any Net Sales made by the counterparty to any Out-License for which payment is received by the Seller fewer than [*] calendar days prior to the Quarterly Deadline, such payment to the Buyer will be paid with the following calendar quarter's Royalty Payment.

(b) If any amounts payable by the Seller shall be overdue for [*]Business Days (other than any such unpaid amounts arising as a result of late or improper reporting or late payment by a Licensee or are otherwise subject to a good faith dispute), the Seller shall additionally pay to the Buyer simple interest on the sum outstanding at the rate per annum equal to the lesser of (i) the sum of [*] plus the prime rate for the date that payment was due, as published by The Wall Street Journal, Eastern U.S. edition and (ii) the highest rate permitted by law shall apply. The payment of such interest shall not prevent the Buyer from exercising any other rights it may have as a consequence of the lateness of any payment.

(c)

(i) Concurrently with the payment of each Royalty Payment, the Seller shall deliver a written report setting forth in reasonable detail, (i) the calculation of the Royalty Payment payable to the Buyer for the prior calendar quarter identifying, the number of units of the Product sold by or on behalf of the Seller and its Affiliates and, to the extent available, each counterparty to any Out-License, gross sales generated by or on behalf of the Seller and any of its Affiliates and each counterparty to any Out-License, and a break-down of all permitted deductions from gross sales used to determine Net Sales and the Royalty Payment due to the Buyer and (ii) the cumulative year-to-date aggregate Net Sales for the Product through the end of the prior calendar quarter (the "Royalty Report"); provided that to the extent a counterparty under the Out-License has not provided any requisite information in respect of the Royalty Report with respect to a calendar quarter by the [*] calendar day prior to the Quarterly Deadline, the Seller may elect to provide the information in respect of Net Sales by such counterparty in the following calendar quarter's Royalty Report. The Royalty Report shall be in a form agreed by the parties and reasonably acceptable to the Buyer and the Seller and, to the extent permitted under any applicable confidentiality or disclosure obligations, shall also have attached copies of any royalty reports received by the Seller from Licensees under any Out-Licenses.

(ii) The Seller shall use Specified Efforts to include in each future Out-License a provision requiring the counterparty to such Out-License to prepare and maintain reasonably complete and accurate records of the information to be disclosed in each Royalty Report, and to disclose such information to the Seller to enable the disclosures of such information in each Royalty Report, as contemplated herein. The Seller shall use Specified Efforts to obtain in a timely manner from each such counterparty any information to be disclosed in each Royalty Report, consistent with the terms of the applicable Out-License(s).

(d) The Seller shall be permitted to make prepayments of the Royalty (or apply a portion or all of the Overpaid Royalty, if any) hereunder which shall be credited to future Royalty Payments in such order as directed by the Seller in connection with any such prepayment (or such application in the case of Overpaid Royalty).

Section 5.3 Disclosures; Public Announcement. The parties shall agree upon the Press Release to be issued announcing this Agreement and the other Transaction Agreements. Except for the Press Release, the Seller's Current Report on Form 8-K describing the material terms of this Agreement, the other Transaction Agreements and the transactions contemplated by this Agreement and the other Transaction Agreements or any other public announcement using substantially the same disclosure as such Press Release or Form 8-K, neither the Buyer nor the Seller shall, and each party hereto shall cause its respective Representatives, Affiliates and Affiliates' Representatives not to, issue a press release or other public announcement or otherwise make any public disclosure with respect to this Agreement or the purchase of the Revenue Participation Right without the prior written consent of the other party hereto (which consent shall not be unreasonably withheld or delayed), except as may be required by applicable law, regulation or stock exchange rule (in which case the party hereto required to make the press release or other public announcement or disclosure shall allow the other party hereto reasonable time to comment on such press release or other public announcement or disclosure in advance of such issuance); provided that (a) no review or consent shall be required with respect to disclosures by either party hereto otherwise previously approved pursuant to this Section 5.3 and (b) notwithstanding anything herein to the contrary, each party hereto may, without the review or consent of the other party hereto, disclose (and nothing herein shall be construed to restrict either party hereto from disclosing) the Purchase Price and the amount and nature of the Revenue Participation Right (and related accounting disclosures of the transactions contemplated hereby) in such party's periodic reports and financial statements.

Section 5.4 Inspections and Audits of the Seller. From and after the date hereof, upon at least [*] Business Days written notice and during normal business hours, no more frequently than once in any [*] period, the Buyer may cause an inspection and/or audit by an independent public accounting firm reasonably acceptable to the Seller to be made of the Seller's or its Affiliates' books of account for the [*] prior to the audit for the purpose of determining the correctness of Royalty Payments made under this Agreement. Upon the Buyer's reasonable request not more than [*] period while any Out-License remains in effect, the Seller shall exercise any rights it may have under any Out-License relating to the Product to cause an inspection and/or audit by an independent public accounting firm reasonably acceptable to the Seller to be made of the books of account of any counterparty thereto for the purpose of determining the correctness of Royalty Payments paid under this Agreement. Seller shall notify Buyer in writing if it initiates an inspection and/or audit of the books of accounts of any counterparty to an Out-License to the extent such inspection and/or audit is related to the Royalty Payments, and shall provide to Buyer a redacted copy of any report relating thereto within [*] Business Days of receipt thereof; provided, that any redactions to such report shall not include any information necessary to determine the correctness of the calculation of the Royalty Payments paid under this Agreement. All of the expenses of any inspection or audit requested by the Buyer hereunder (including the fees and expenses of such independent public accounting firm designated for such purpose) shall be borne by the Buyer, unless the independent public accounting firm determines that Royalty Payments previously paid were incorrect by an amount greater

than [*] of the Royalty actually paid for the period reviewed by such public accounting firm in the aggregate, in which case such expenses shall be borne by the Seller. The terms on which any such independent public accounting firm is engaged shall provide that such independent public accounting firm may not disclose the confidential information of the Seller or any such counterparty to any Out-License relating to the Product to the Buyer, except to the extent such disclosure is either necessary to determine the correctness of Royalty Payments or such confidential information otherwise would be included in a Royalty Report. All information obtained by the Buyer as a result of any such inspection or audit shall be Confidential Information of the Seller subject to Article 8 and the independent public accounting firm shall be considered a Representative of Buyer for purposes of Article 8. Any payment owed by one party to another as a result of the audit (except to the extent the result of such audit is being disputed in good faith by the Seller) shall be made within [*] Business Days of receipt of the audit report. No royalty period will be subject to an audit more than once.

Section 5.5 Intellectual Property Matters.

(a) If the Seller recovers and actually receives cash proceeds as damages from a Third Party in an action brought for such Third Party's infringement or misappropriation of any Patent Rights or other Intellectual Property Rights in connection with the exploitation of any product, therapy or service intended for use, or actually used, and that actually or prospectively competes with the Product, where such damages (whether in the form of judgment or settlement) are awarded for such infringement, misappropriation of such Patent Rights or Intellectual Property relating to the Product, (i) cash proceeds will be allocated first to the reimbursement of any expenses incurred by the Seller (and/or its Licensee) in bringing such action (including attorney's fees) not already reimbursed from other damages awarded under the same action, then (ii) any remaining amount of such cash proceeds will be reduced, if applicable, to comply with allocation of recovered damages with licensors of such Patent Rights required under any In-Licenses or Licensees of such Patent Rights under any Out-Licenses, if any, and (iii) any residual cash proceeds of such damages after application of (i) and (ii) will be treated as Net Sales of the Product for purposes of determining the amount of Royalties payable to the Buyer under this Agreement.

(b) The Seller shall provide to the Buyer a copy of any written notice received by the Seller from a Third Party alleging or claiming that the making, having made, using, importing, offering for sale or selling of a Product infringes or misappropriates any Patents or other intellectual property rights of such Third Party, together with copies of material correspondence sent or received by the Seller related thereto, as soon as practicable and in any event not more than [*] Business Days following such delivery or receipt.

(c) The Seller shall promptly inform the Buyer of any infringement or misappropriation by a Third Party of any Patent Right or other Intellectual Property Right of which any of the individuals named in the definition of "Knowledge of the Seller" (or the successors of such Person at the Seller) becomes aware. Without limiting the foregoing, the Seller shall provide to the Buyer a copy of any written notice of any suspected infringement or misappropriation of any Patent Rights or other Intellectual Property Rights delivered or received by the Seller, as well as copies of material correspondence related thereto, as soon as practicable and in any event not more than [*] Business Days following such delivery or receipt.

(d) Within [*] Business Days of initiating, or permitting a Licensee to initiate, an enforcement action regarding any suspected infringement or misappropriation by a Third Party of any Patent Right or other Intellectual Property Right, the Seller shall provide the Buyer with written notice of such enforcement action, and the Seller shall thereafter provide the Buyer with such additional information as the Buyer may reasonably request.

(e) The Seller shall, or cause an Affiliate of the Seller or a Licensee to, use Specified Efforts to file, prosecute and maintain all Patent Rights.

Section 5.6 Efforts to Complete Clinical Trials and Commercialize the Product. (a) The Seller shall (directly or indirectly through an Affiliate or Licensee or other Third Party) use Specified Efforts to conduct Clinical Trials and any other relevant non-clinical trials and studies and obtain Marketing Approval from [*] for the Product in HFpEF and (b) following the issuance of a Marketing Approval of the Product, the Seller (or its Affiliates or a Licensee) shall use Specified Efforts to Commercialize the Product in HFpEF within the United States; provided that clauses (a) and (b) shall, if the Buyer does not exercise its Additional Investment Opt-In Right in accordance with Section 2.3 by the deadline provided therein, cease to be in full force and effect immediately after such deadline. At any time, the Seller shall have no obligation to research, develop or Commercialize the Product for any indications other than HFpEF.

Section 5.7 Further Assurances. The Seller and the Buyer agree to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be reasonably necessary in order to give effect to the transactions contemplated by this Agreement.

Section 5.8 In-Licenses.

(a) Promptly (and in any event within [*] Business Days), the Seller shall provide the Buyer with (i) true, correct and complete copies of each In-License executed after the date hereof, and (ii) true, correct and complete copies of each material amendment, supplement, modification to, or written waiver under, any In-License. All materials delivered by the Seller to the Buyer pursuant to this Section 5.8(a) shall be the Confidential Information of Seller and subject to the obligations of confidentiality set forth in Article 8. The Seller may redact or otherwise exclude from any of the foregoing (x) any information, the redaction or exclusion of which is reasonably required to comply with applicable laws (including those related to patient information and privacy laws) and (y) any information that does not relate to the Revenue Participation Right, the Patent Rights or the Product, to the extent required by any obligations of confidentiality to any Third Party; provided that the Seller shall provide to the Buyer a reasonable summary of any information that is redacted to the extent permitted by such obligation.

(b) The Seller shall use Specified Efforts to comply in all material respects with its obligations under any material In-Licenses it enters into and shall not intentionally take any action or forego any action that would reasonably be expected to result in a material breach thereof. Promptly, and in any event within [*] Business Days, after receipt of any (written or oral) notice from a counterparty to any material In-License or its Affiliates of an alleged material breach under any In-License, the Seller shall provide the Buyer a copy thereof. The Seller shall use Specified Efforts to cure any material breaches by it under any material In- License and shall give written notice to the Buyer upon curing any such breach. The Seller shall provide the Buyer prompt written notice within [*] Business Days of any party's material breach of its obligations under any In-License of which any of the individuals named in the definition of "Knowledge of the Seller" becomes aware, to the extent such material breach is directly related to the Buyer's rights or Seller's obligations to Buyer under this Agreement. The Seller shall not amend or modify in any material respect, terminate, or assign any In-License which amendment, modification, termination or assignment would reasonably be expected to have a Material Adverse Effect without the Buyer's prior written consent (not to be unreasonably withheld, conditioned or delayed).

Section 5.9 Out-Licenses.

(a) The Seller may grant, at its sole discretion, Out-Licenses to any Affiliate or Third Party in all or any portion of the world without the Buyer's consent; provided that such Out-License shall not assign or otherwise convey title to or impose any Lien (other than customary customs, purchase money warehousemen's and similar Liens on inventory, in each case, in the ordinary course of business), in favor

of any Third Party on any Product Rights, Product Assets or the Revenue Participation Right, other than the grant of the license or sublicense (including the right to exercise Seller's rights under any associated upstream license to the Seller) to the Licensee; and provided, further, that if the Buyer exercises the Additional Investment Opt-In Right, the Seller may not grant an Out-License in the United States to any Third Party other than a Permitted Licensee without Buyer's prior written consent (not to be unreasonably withheld, conditioned or delayed).

(b) The Seller shall use Specified Efforts to comply in all material respects with its obligations under any material Out-Licenses it enters into and shall not intentionally take any action or forego any action that would reasonably be expected to result in a material breach thereof. Promptly, and in any event within [*] Business Days, after receipt of any (written or oral) notice from a counterparty to any material Out-License or its Affiliates of an alleged material breach under any material Out-License, the Seller shall provide the Buyer a copy thereof. The Seller shall use Specified Efforts to cure any material breaches by it under any material Out- License and shall give written notice to the Buyer upon curing any such breach. The Seller shall provide the Buyer prompt written notice within [*] Business Days of any counterparty's material breach of its obligations under any material Out-License of which any of the individuals named in the definition of "Knowledge of the Seller" becomes aware, to the extent such material breach is directly related to the Buyer's rights or Seller's obligations to Buyer under this Agreement. The Seller shall not amend or modify in any material respect, terminate, or assign any Out-License which amendment, modification, termination or assignment would reasonably be expected to have a Material Adverse Effect without the Buyer's prior written consent (not to be unreasonably withheld, conditioned or delayed).

(c) The Seller shall include in all Out-Licenses provisions permitting the Seller to audit such licensee and shall use [*] to include terms and conditions consistent in all material respects with the Buyer's rights to audit the Seller set forth in Section 5.4.

(d) The Seller shall provide the Buyer with written notice following the termination of any Out-License.

(e) Promptly (and in any event within [*] Business Days), the Seller shall provide the Buyer with (i) true, correct and complete copies of each Out-License executed after the date hereof, and (ii) true, correct and complete copies of each material amendment, supplement, modification to, or written waiver under, an Out-License. All materials delivered by the Seller to the Buyer pursuant to this Section 5.9(e) shall be the Confidential Information of Seller and subject to the obligations of confidentiality set forth in Article 8. The Seller may redact or otherwise exclude from any of the foregoing (x) any information, the redaction or exclusion of which is reasonably required to comply with applicable laws (including those related to patient information and privacy laws) and (y) any information that does not relate to the Revenue Participation Right, the Patent Rights or the Product, to the extent required by any obligations of confidentiality to any Third Party; provided that the Seller shall provide to the Buyer a reasonable summary of any information that is redacted to the extent permitted by such obligation.

Section 5.10 Negative Pledge; Preservation of Assets; Intercreditor Matters.

(a) Prior to the Payment Milestone Date, the Seller shall not, and shall not permit any of its Affiliates to, create, incur, assume or suffer to exist any Lien on the Revenue Participation Right, the Royalty, the Royalty Payments, any of the Product Assets or any of the other Collateral, except for (i) the Back-Up Security Interest, (ii) solely with respect to the Product Assets, the cash "proceeds" (as defined in the UCC) thereof and any deposit or securities accounts in which such cash "proceeds" (as defined in the UCC) are maintained, Permitted Liens under only clause (b) of such definition; provided that if the Buyer does not exercise its Additional Investment Opt-In Right in accordance with Section 2.3 by the deadline

provided therein, the Seller may, and may permit any of its Affiliates to, create, incur, assume or suffer to exist one or more Liens in favor of one or more Senior Debt Provider(s) on the Product Assets, the cash "proceeds" (as defined in the UCC) thereof and any deposit or securities accounts in which such cash "proceeds" (as defined in the UCC) are maintained (but not any of the Revenue Participation Right, the Royalty, the Royalty Payments or any non-cash "proceeds" (as defined in the UCC) of the foregoing), in each case, subject to, and conditioned upon, (y) the Buyer and such Senior Debt Provider(s) entering into an Acceptable Intercreditor Agreement (such Liens, the "Post Buyer Opt-Out Permitted Liens"), and (z) any financing provided by such Senior Debt Provider(s) being a "CK-586 Financing" (as defined in the 2024 Development Funding Agreement) solely to the extent such CK-586 Financing is permitted to be incurred pursuant to the 2024 Development Funding Agreement.

(b) For the avoidance of doubt, nothing herein shall restrict the Seller or any of its Affiliates from incurring (i) unsecured Indebtedness, (ii) Indebtedness secured by assets that are not Collateral (except solely with respect to (A) Liens on Product Assets granted in favor of a Senior Debt Provider in connection with Indebtedness subject to an Acceptable Intercreditor Agreement that is incurred pursuant to a revolving credit or other working capital facility in an outstanding principal amount not to exceed [*] of the sum of the face amount of accounts receivables and net orderly liquidation value of inventory, at any one time (such Liens in this parenthetical, "Permitted Working Capital Facility Liens"), and (B) Liens on cash and cash equivalents and deposit and securities accounts holding such cash and cash equivalents to secure other Permitted Secured Indebtedness) or (iii) Indebtedness secured solely by the Post Buyer Opt-Out Permitted Liens (it being understood that there may be restrictions or prohibitions on such incurrences in the other Transaction Agreements and nothing in this Agreement shall be deemed to limit or override the Buyer's (or its Affiliate's) rights with respect to such other Transaction Agreements).

(c) In connection with the incurrence of any secured Indebtedness expressly permitted by Section 5.10(b)(ii) and (iii) above in this Agreement, at the request of the Seller, Buyer shall use commercially reasonable efforts to, without undue delay negotiate in good faith, and enter into, an Acceptable Intercreditor Agreement with the applicable Senior Debt Provider(s).

Section 5.11 No Impairment. Notwithstanding anything herein to the contrary, the Seller shall not enter into any contracts or arrangements, or amend, supplement, waive any rights under or otherwise modify any contracts or arrangements with the intent to circumvent the provisions of this Agreement. For the avoidance of doubt, this Section 5.11 shall not restrict the incurrence of (x) any Permitted Secured Indebtedness, any Permitted Liens or any Indebtedness not prohibited hereunder or (y) any licenses (including, without limitation, any In-Licenses or Out-Licenses) not prohibited hereunder.

Section 5.12 Milestone Event Payment(s).

(a) If (i) the Buyer exercises the Additional Investment Opt-In Right in accordance with Section 2.3 and (ii) the FDA Milestone Event has not yet occurred, the Seller shall promptly (and in any event within [*] Business Days) notify the Buyer in writing upon the occurrence of the EMA Milestone Event. Upon receipt of such notice, if the Buyer has not yet funded the Maximum Additional Investment Payment Amount, the Buyer shall have the option, at the Buyer's sole discretion, to pay, within [*] Business Days of receipt of such notice (the "Top-Up Deadline"), a one-time, lump-sum payment to the Seller in an amount equal to the difference between the Maximum Additional Investment Payment Amount and the aggregate Additional Investment Payment paid by the Buyer to the Seller as of such date (the "Top-Up Payment"). If the Buyer pays the Top-Up Payment to the Seller by the Top-Up Deadline, the Seller shall, within [*] Business Days after payment of the Top-Up Payment, pay the EMA Milestone Payment to the Buyer. If the Buyer does not pay the Top-Up Payment by the Top-Up Deadline, the Seller shall, within [*] Business Days after the Top-Up Deadline, pay the EMA Milestone Payment to the Buyer. If the Buyer had already funded the Maximum Additional Investment Payment Amount prior to the Buyer's receipt of notice of the occurrence of the EMA Milestone Event, then the Seller shall, within [*] of the occurrence of the EMA Milestone Event, pay the EMA Milestone Payment to the Buyer. All payments made pursuant to this Section 5.12(a) shall be by wire transfer of immediately available funds to one or more accounts specified by party receiving such payment. For the avoidance of doubt, no EMA Milestone Payment shall be payable if (x) the Additional Investment Opt-In Right is not exercised in accordance with Section 2.3 or (y) the FDA Milestone Event occurs prior to the EMA Milestone Event.

(b) If the Buyer exercises the Additional Investment Opt-In Right in accordance with Section 2.3, the Seller shall promptly (and in any event within [*] Business Days) notify the Buyer in writing upon the occurrence of the FDA Milestone Event. Upon receipt of such notice, if the Buyer has not yet funded the Maximum Additional Investment Payment Amount, the Buyer shall have the option, at the Buyer's sole discretion, to pay the Top-Up Payment within the Top-Up Deadline. If the Buyer pays the Top-Up Payment to the Seller by the Top-Up Deadline, the Seller shall, within [*] Business Days after payment of the Top-Up Payment, pay the FDA Milestone Payment to the Buyer. If the Buyer does not pay the Top-Up Payment by the Top-Up Deadline, the Seller shall, within [*] Business Days after the Top-Up Deadline, pay the FDA Milestone Payment to the Buyer. If the Buyer had already funded the Maximum Additional Investment Payment Amount prior to the Buyer's receipt of notice of the occurrence of the FDA Milestone Event, then the Seller shall, within [*] Business Days of the occurrence of the FDA Milestone Event, pay the FDA Milestone Payment to the Buyer. All payments made pursuant to this Section 5.12(b) shall be by wire transfer of immediately available funds to one or more accounts specified by party receiving such payment. For the avoidance of doubt, no FDA Milestone Payment shall be payable if the Additional Investment Opt-In Right is not exercised in accordance with Section 2.3.

ARTICLE 6

INDEMNIFICATION

Section 6.1 General Indemnity.

(a) The Seller hereby agrees to indemnify, defend and hold harmless the Buyer and its Affiliates and its and their directors, managers, trustees, officers, agents and employees (the "Buyer Indemnified Parties") from, against and in respect of all Loss suffered or incurred by the Buyer Indemnified Parties to the extent arising out of or resulting from (i) any breach of any of the representations or warranties (in each case, when made) of the Seller provided in this Agreement or (ii) any breach of any of the covenants or agreements of the Seller in this Agreement.

(b) The Buyer hereby agrees to indemnify, defend and hold harmless the Seller and its Affiliates and their directors, officers, agents and employees (the "Seller Indemnified Parties") from, against and in respect of all Loss suffered or incurred by the Seller Indemnified Parties to the extent arising out of or resulting from (i) any breach of any of the representations or warranties (in each case, when made) of the Buyer provided in this Agreement or (ii) any breach of any of the covenants or agreements of the Buyer in this Agreement.

Section 6.2 Notice of Claims. If either a Buyer Indemnified Party, on the one hand, or a Seller Indemnified Party, on the other hand (such Buyer Indemnified Party on the one hand and such Seller Indemnified Party on the other hand being hereinafter referred to as an "Indemnified Party"), has suffered or incurred any Loss for which indemnification may be sought under this Article 6, the Indemnified Party shall so notify the other party from whom indemnification is sought under this Article 6 (the "Indemnifying Party") promptly in writing describing such Loss, the amount or estimated amount thereof, if known or reasonably capable of estimation, and the method of computation of such Loss, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss shall have occurred. If any claim, action, suit or proceeding is asserted or instituted by a Third Party (a "Third Party Claim") with respect to which an Indemnified Party intends to claim any Loss under this Article 6, such Indemnified Party shall promptly notify the Indemnifying Party of such claim, action, suit or proceeding and tender to the Indemnifying Party the defense of such claim, action, suit or proceeding. A failure by an Indemnified Party to give timely notice and to tender the defense of such claim, action, suit or proceeding in a timely manner pursuant to this Section 6.2 shall not limit the obligation of the Indemnifying Party under this Article 6, except to the extent such Indemnifying Party is actually prejudiced thereby.

Section 6.3 Limitations on Liability. Except for claims arising from a breach of confidentiality obligations under Article 8 or in cases of fraud, gross negligence, or willful misconduct, the indemnification provided for in this Article 6 shall be subject to the following limitations:

(a) The Seller's maximum liability for breaches of representations or warranties pursuant to Section 6.1(a)(i) shall not exceed an amount equal to [*].

(b) The Buyer's maximum liability pursuant to Section 6.1(b) shall not exceed [*].

(c) Except for claims arising from a breach of confidentiality obligations under Article 8 or in cases of fraud, gross negligence, or willful misconduct, no party hereto shall be liable for any lost profits or revenue, lost opportunity or consequential, punitive, special or incidental damages (and no claim for indemnification hereunder shall be asserted) as a result of any breach or violation of any representation, warranty, covenant or agreement of such party (including under this Article 6) in or pursuant to this Agreement. In connection with the foregoing, the parties hereto acknowledge and agree that (i) the Buyer's damages, if any, for any such action or claim will typically include Losses for payments of the Royalty Payments that the Buyer was entitled to receive in respect of its Revenue Participation Right but did not receive timely or at all due to such indemnifiable event and (ii) the Buyer shall be entitled to make claims for all such missing or delayed payments of Royalties as Losses hereunder, and such missing or delayed Royalties shall not be deemed consequential, punitive, special, indirect or incidental damages.

Section 6.4 Third Party Claims. Upon providing notice to an Indemnifying Party by an Indemnified Party pursuant to Section 6.2 of the commencement of any Third Party Claim with respect to which such Indemnified Party intends to claim any Loss under this Article 6, such Indemnifying Party shall have the right to defend such claim, at such Indemnifying Party's expense and with counsel of its choice reasonably satisfactory to the Indemnified Party. If the Indemnifying Party assumes the defense of such claim, the Indemnified Party shall, at the request of the Indemnifying Party, use commercially reasonable

efforts to cooperate in such defense; provided, that the Indemnifying Party shall bear the Indemnified Party's reasonable out-of-pocket costs and expenses incurred in connection with such cooperation. So long as the Indemnifying Party is conducting the defense of such claim as provided in this Section 6.4, the Indemnified Party may retain separate co-counsel at its expense and may participate in the defense of such claim; provided, that, if the Indemnifying Party and the Indemnified Party have conflicting interests or different defenses available with respect to such Third Party Claim, the Indemnified Party may hire its own separate counsel (provided that such counsel is not reasonably objected to by the Indemnifying Party) with respect to such Third Party Claim and the related action or suit, and the reasonable fees and expenses of such counsel shall be considered Losses for purposes of this Agreement. Neither the Indemnified Party nor the Indemnifying Party shall consent to the entry of any Judgment or enter into any settlement with respect to such claim without the prior written consent of the other; provided that the consent of the Indemnified Party shall not be required if such Judgment or settlement (a) provides for the payment by the Indemnifying Party of money as sole relief (if any) for the claimant (other than customary and reasonable confidentiality obligations relating to such claim, Judgment or settlement), (b) results in the full and general release of the Indemnified Party from all liabilities arising out of, relating to or in connection with such claim and (c) does not involve a finding or admission of any violation of any law, rule, regulation or Judgment, or the rights of any Person, and has no effect on any other claims that may be made against the Indemnified Party. In the event the Indemnifying Party does not or ceases to conduct the defense of such claim as so provided, (i) the Indemnified Party may defend against, and consent to the entry of any Judgment or enter into any settlement with respect to, such claim in any matter it may reasonably deem to be appropriate, (ii) the Indemnifying Party shall reimburse the Indemnified Party promptly and periodically for the reasonable out-of-pocket costs of defending against such claim, including reasonable attorneys' fees and expenses against reasonably detailed invoices, and (iii) the Indemnifying Party shall remain responsible to any Losses the Indemnified Party may suffer as a result of such claim to the full extent provided in this Agreement. Any party's assumption of the defense of any Third Party Claim can be made with a reservation of the right to contest the right of Indemnified Party to be indemnified with respect to such claim under this Agreement, and a party's consent to any settlement of a Third Party Claim shall not be used as evidence of the truth of the allegations in any Third Party Claim or the merits of such Third Party Claim. Furthermore, the existence of any Third Party Claim shall not create a presumption of any breach by a party to this Agreement of any of its representations, warranties or covenants set forth in this Agreement.

Section 6.5 Exclusive Remedy. Except as set forth in Section 9.13, the rights of the parties hereto pursuant to (and subject to the conditions of) this Article 6 shall be the sole and exclusive remedy of the parties hereto and their respective Affiliates with respect to any Loss (whether based in contract, tort or otherwise) resulting from or relating to any breach of the representations, warranties covenants and agreements made under this Agreement or any certificate, document or instrument delivered hereunder, and each party hereto hereby waives, to the fullest extent permitted under applicable law, and agrees not to assert any other claim or action in respect of any such breach. Notwithstanding the foregoing, claims for common law fraud shall not be waived or limited in any way by this Article 6.

Section 6.6 Tax Treatment for Indemnification Payments. Any indemnification payments made pursuant to this Article 6 will be treated as an adjustment to the Purchase Price for U.S. federal income tax purposes to the fullest extent permitted by applicable law, except to the extent otherwise required pursuant to a "determination," within the meaning of Section 1313(a) of the U.S. internal Revenue Code of 1986, as amended, or a comparable provision of non-U.S. law.

ARTICLE 7

TERMINATION

Section 7.1 Mutual Termination. This Agreement may be terminated at any time by mutual written agreement of the Buyer and the Seller.

Section 7.2 Automatic Termination. Unless earlier terminated as provided in Section 7.1, Section 7.3 or Section 7.4, this Agreement shall continue in full force and effect until [*] days after such time as the Seller is no longer obligated to pay any Royalties under this Agreement (following, for the avoidance of doubt, Marketing Approval by the FDA for the Product), at which point, this Agreement shall automatically terminate, except with respect to any rights that have accrued prior to such termination.

Section 7.3 Termination Upon Product Failure. Either the Seller or the Buyer may terminate this Agreement upon [*] Business Days' prior written notice following the occurrence of a Product Failure.

Section 7.4 Buy-Back Option.

(a) If at any time after the date hereof, the Seller enters into a definitive agreement to consummate a Change of Control, or a Change of Control is otherwise announced, each of the Seller and the Buyer shall have the option (the "Buy-Back Option") to, in the case of the Seller exercising such option, repurchase from the Buyer, and in the case of the Buyer exercising such option, cause the Seller to repurchase from the Buyer, in each case, [*] of each of the Revenue Participation Right and the Milestone Right (collectively, the "Buy-Back Assets") that will become due (and, if applicable, are due or may become due) pursuant to Section 5.2(a) and Section 5.12 for a purchase price (the "Buy-Back Price") equal to [*] of the Funded Amount (determined as of the date of consummation of such Change of Control). In relation to a Change of Control, either party may (but is not obligated to) exercise the Buy-Back Option once only and solely during the Option Exercise Period by delivering to the other party a written notice stating its decision to exercise the Buy-Back Option and the related Change of Control (the "Buy-Back Notice"). Exercise of the Buy-Back Option by either party shall be irrevocable. The Seller's obligation to consummate the repurchase of the Buy-Back Assets following the exercise of the Buy-Back Option shall be contingent upon the consummation of either (i) the Change of Control identified in the Buy-Back Notice (the "Original Transaction") or (ii) a different Change of Control pursuant to a definitive agreement entered into with or otherwise announced involved one or more third parties prior to, concurrently with or promptly following the termination of the definitive agreement or withdrawal of a tender offer in respect of the Original Transaction (a "Topping Transaction", and collectively with the Original Transaction, a "COC Transaction"); if neither the Original Transaction nor a Topping Transaction is consummated, the exercise of the Buy-Back Option shall be void and with respect to any subsequent Change of Control each of the Seller and the Buyer shall have the option to exercise the Buy-Back Option with respect to such subsequent Change of Control in accordance with the foregoing provisions. References to consummation or closing in connection with a Change of Control shall refer to the first transaction in a series of related transactions that constitutes a Change of Control.

(b) If either party exercises the Buy-Back Option, the Seller shall pay, or shall cause to be paid, the Buy-Back Price to and purchase the Buy-Back Assets from, the Buyer on the same day as the consummation of the COC Transaction (or the following Business Day if the COC Transaction is consummated on a day that is not a Business Day).

(c) The payment of the Buy-Back Price shall be made by wire transfer of immediately available funds to one or more accounts specified by the Buyer. Upon the Buyer's receipt of the Buy-Back

Price, (i) all rights of the Buyer under Section 5.2 and Section 5.12 shall immediately terminate; and (ii) except as set forth in Section 7.5, other obligations of the parties hereunder shall automatically without any further action of the parties be deemed to be released and irrevocably terminated and this Agreement shall automatically terminate.

Section 7.5 Survival . Notwithstanding anything to the contrary in this Article 7 and unless otherwise agreed in a mutual termination under Section 7.1, the following provisions shall survive termination of this Agreement: Section 1.4 (True Sale), Section 5.2 (Royalty Payments; Royalty Reports) (in the event of termination under Section 7.3), Section 5.3 (Disclosures), Section 5.4 (Inspections and Audits of the Seller), Section 5.12 (Milestone Event Payment) (in the event of termination under Section 7.3), Article 6 (Indemnification), Section 7.5 (Survival), [*], Article 8 (Confidentiality) and Article 9 (Miscellaneous). Termination of this Agreement shall not relieve any party of liability in respect of breaches under this Agreement by any party on or prior to termination. Notwithstanding anything in this Agreement to the contrary, Section 9.14 (Relationship of the Parties), Section 9.16 (Withholding) and Section 9.17 (Tax Treatment) shall survive until [*] days after the expiration of the applicable statute of limitations.

[*].

ARTICLE 8

CONFIDENTIALITY

Section 8.1 Confidentiality. Except to the extent expressly authorized by this Agreement or otherwise agreed in writing by the parties, the parties hereto agree that, for the term of this Agreement and for [*] thereafter, each party (the "Receiving Party") shall keep confidential and shall not publish or otherwise disclose or transfer and shall not use for any purpose other than as provided for in this Agreement (which includes the exercise of any rights or the performance of any obligations hereunder) any information furnished to it by or on behalf of the other party (the "Disclosing Party") directly relating to the Product, the Revenue Participation Right, the Royalty or the transaction contemplated hereunder and delivered pursuant to this Agreement (such information, "Confidential Information" of the Disclosing Party), except for that portion of such information that:

(a) was already known to the Receiving Party, other than under an obligation of confidentiality, at the time of disclosure by the Disclosing Party;

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

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

(d) is independently developed by the Receiving Party or any of its Affiliates, as evidenced by written records, without the use or reference of the Confidential Information;

(e) was disclosed to the Receiving Party, other than under an obligation of confidentiality by a Third Party who had no obligation to the Disclosing Party not to disclose such information to others; or

(f) is subsequently disclosed to the Receiving Party on a non-confidential basis by a Third Party without obligations of confidentiality with respect thereto.

Section 8.2 Authorized Disclosure . Either party may disclose Confidential Information to the extent such disclosure is reasonably necessary in the following situations:

(a) prosecuting or defending litigation;

(b) complying with applicable laws and regulations, including regulations promulgated by a global stock market or securities exchanges;

(c) complying with a valid order of a court of competent jurisdiction or other Governmental Entity;

(d) for regulatory, Tax or customs purposes;

(e) for audit purposes, provided that each recipient of Confidential Information must be bound by customary obligations of confidentiality and non-use prior to any such disclosure;

(f) disclosure to its Affiliates and Representatives on a need-to-know basis, provided that each of such recipients of Confidential Information must be bound by customary obligations of confidentiality and non-use at least as stringent as those imposed upon the parties pursuant to Section 8.1 prior to any such disclosure;

(g) upon the prior written consent of the Disclosing Party; or

(h) disclosure to actual and potential licensees, acquirors, investors and other sources of funding, including underwriters, debt financing, royalty financing partners, or co-investors, and their respective accountants, financial advisors and other professional representatives ("Financial Advisors"), provided, that such disclosure shall be made only to the extent customarily required to consummate such investment, financing transaction, collaboration or acquisition and that each recipient of Confidential Information must be bound by customary obligations of confidentiality and non-use prior to any such disclosure;

provided that, in the event the Receiving Party is required to make a disclosure of the Disclosing Party's Confidential Information pursuant to Sections 8.2(a), (b), (c) or (d), it will, except where impracticable, give reasonable advance written notice to the Disclosing Party of such disclosure and use reasonable efforts to secure confidential treatment of such information. In any event, the Buyer shall not file or assist any Third Party in filing any patent application based upon or using the Confidential Information of the Seller provided hereunder.

The Receiving Party shall be liable to the Disclosing Party for any breach by its Affiliates or Representatives in the case of any disclosure made by a Receiving Party under Section 8.2(f) and any of its Financial Advisors in the case of any disclosure made by a Receiving Party under Section 8.2(h), if any such Person violates the terms of its confidentiality obligation or any of the terms set forth in this Agreement as if such Person was a party hereto.

The Buyer hereby acknowledges that the Seller may from time to time provide the Buyer with information that may constitute material non-public information with respect to itself and Licensees. Seller makes no representation or warranty and assumes no duty to inform Buyer whether any information delivered to Buyer pursuant to this Agreement constitutes material non-public information. The Buyer hereby agrees

that it shall not, and shall cause its Affiliates or Representatives to not, trade any securities of the Seller or any Licensee while in possession of any information received by it from the Seller pursuant to this Agreement in violation of securities laws.

Notwithstanding anything set forth in this Agreement, including this Section 8.2, materials and documentation relating to the Seller's Intellectual Property Rights may be only disclosed to or accessed by Buyer and its attorneys, without further disclosure to any other Representative of Buyer.

ARTICLE 9

MISCELLANEOUS

Section 9.1 Definitions. As used in this Agreement, the following terms shall have the following meanings:

"2024 Development Funding Agreement" means the 2024 Development Funding Loan Agreement dated as of the date hereof between Royalty Pharma Development Funding, LLC and the Seller.

"Acceptable Intercreditor Agreement" means, with respect to any secured Indebtedness permitted hereunder, (a) an intercreditor or other agreement between the Buyer and the Senior Debt Provider providing (i) that such Senior Debt Provider shall not, directly or indirectly, contest or challenge, or support any Person in contesting or challenging, the true sale characterization of the sale of the Revenue Participation Right to the Buyer (or, prior to termination of such Back-Up Security Interest in accordance with Section 1.4, the Buyer's rights with respect to the Back-Up Security Interest); (ii) that (A) subject to clauses (a)(iii), (iv) and (v) below, such Senior Debt Provider shall have the first right of enforcement in any of such Buyer's Permitted Liens that are also permitted collateral of such Senior Debt Provider as part of the Post Buyer Opt-Out Permitted Liens or Permitted Working Capital Facility Liens (in each case, other than, for the avoidance of doubt, the Revenue Participation Right, the Royalty, the Royalty Payment, and any non-cash "proceeds" (as defined in the UCC) of any of the foregoing) until the expiration of a standstill period to be agreed, (B) such Senior Debt Provider shall acknowledge, agree and confirm that the Buyer has a first priority security interest and Lien on the Collateral (other than the Product Assets, cash "proceeds" (as defined in the UCC) of the Product Assets and any deposit account and securities accounts holding such cash "proceeds" (as defined in the UCC), in each case, that are subject to Post Buyer Opt-Out Permitted Liens or Permitted Working Capital Facility Liens granted to such Senior Debt Provider), and (C) such Senior Debt Provider shall acknowledge, agree and confirm that it has no security interest, Lien or rights in the Revenue Participation Right, the Royalty, the Royalty Payment and any "proceeds" (as defined in the UCC) thereof; (iii) if the Senior Debt Provider in the course of exercising its enforcement rights, if any, with respect to the Product Assets sells or otherwise transfers any Product Assets, such Product Assets shall be transferred subject to the rights of the Buyer with respect to the Revenue Participation Right, the Royalty and the Royalty Payments on terms materially consistent with this Agreement or otherwise satisfactory to the Buyer in its reasonable discretion; (iv) after the occurrence of an insolvency proceeding, the Buyer shall not oppose any disposition of the Product Assets constituting collateral of such Senior Debt Provider pursuant to Post Buyer Opt-Out Permitted Liens or Permitted Working Capital Facility Liens so long as the Product Assets so disposed of are purchased subject to the rights of the Buyer with respect to the Revenue Participation Right, the Royalty and the Royalty Payments on terms materially consistent with this Agreement (including the same or equivalent Liens (including priority) provided hereunder) or otherwise satisfactory to the Buyer in its reasonable discretion; (v) in the event of any direct or indirect sale, transfer or other disposition of the Product Assets constituting collateral of such Senior Debt Provider, if such Product Assets are not transferred subject to the rights of the Buyer with respect to the Revenue Participation Right, the Royalty, the Royalty Payments and the "proceeds" (as defined in the UCC) of any of the foregoing on terms materially consistent with this Agreement (including

the same or equivalent Liens (including priority) provided hereunder) or otherwise satisfactory to the Buyer in its reasonable discretion, then the proceeds from such disposition shall be subject to a waterfall pursuant to which the Buyer shall be entitled to a percentage of the proceeds equal to (A) with respect to any Acceptable Intercreditor Agreement covering Post Buyer Opt-Out Permitted Liens, subject to a formula based on the amount of the then applicable Product Royalty Rate over the percentage of annual worldwide Net Sales of the Product during a calendar year that has been sold and is paid as a revenue interest or royalty to the holder of such Post Buyer Opt-Out Permitted Liens pursuant to the agreement governing such Post Buyer Opt-Out Permitted Liens, or (B) with respect to any Acceptable Intercreditor Agreement covering Permitted Working Capital Facility Liens, an amount to be mutually agreed; (vi) other provisions reasonably satisfactory to such Senior Debt Provider and the Buyer consistent with clauses (a)(i)-(v) above and consistent with the premise that (w) subject to clauses (a)(iii), (iv) and (v) above, such Senior Debt Provider shall have the primary right to enforce any of such Buyer's Permitted Liens that are also permitted collateral of such Senior Debt Provider as part of the Post Buyer Opt-Out Permitted Liens or Permitted Working Capital Facility Liens (in each case, other than, for the avoidance of doubt, the Revenue Participation Right, the Royalty, the Royalty Payment and any non-cash "proceeds" (as defined in the UCC) thereof) until the expiration of a standstill period to be agreed, (x) such Senior Debt Provider shall acknowledge, agree and confirm that the Buyer has a first priority security interest and Lien on the Collateral (other than the Product Assets, cash "proceeds" (as defined in the UCC) of the Product Assets and any deposit account and securities account holding such cash "proceeds" (as defined in the UCC), in each case, that are subject to Post Buyer Opt-Out Permitted Liens or Permitted Working Capital Facility Liens granted to such Senior Debt Provider), (y) such Senior Debt Provider shall acknowledge, agree and confirm that it has no security interest, Lien or rights in the Revenue Participation Right, the Royalty, the Royalty Payment and any "proceeds" (as defined in the UCC) thereof, and (z) the parties shall decide other customary intercreditor matters such as pay-over provisions and provisions regarding DIP financings in accordance with the foregoing provisions of this definition; and (vii) subject to clauses (a)(iii), (iv) and (v) above, the Buyer shall not interfere with such Senior Debt Provider enforcing its rights and remedies provided pursuant to clause (a)(ii)(A) above as a secured creditor solely with respect to any of such Buyer's Permitted Liens that are also permitted collateral of such Senior Debt Provider as part of the Post Buyer Opt-Out Permitted Liens or Permitted Working Capital Facility Liens (in each case, other than, for the avoidance of doubt, the Revenue Participation Right, the Royalty, the Royalty Payment and any non-cash "proceeds" (as defined in the UCC) thereof) under the UCC, any Bankruptcy Laws and any other applicable law until the expiration of a standstill period to be agreed (to the extent such enforcement is not inconsistent with clauses (a)(i)-(vi) above), and (b) any other intercreditor agreement between the Buyer and a Senior Debt Provider in form and substance reasonably satisfactory to the Buyer, such Senior Debt Provider and the Seller.

"Additional Investment Payment" is defined in Section 2.3(c).

"Additional Investment Opt-In Right" is defined in Section 2.3(a).

"Affiliate" means, with respect to any Person, any other Person, directly or indirectly, controlling, controlled by or under common control with such Person. Solely for purposes of this definition, the term "control" (including the correlative terms "controlling," "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. For clarity, the Buyer shall not be considered an Affiliate of the Seller for the purpose of this Agreement.

"Aficamten Purchase Agreement" is defined in the definition of "Amendment No. 1 to Aficamten Purchase Agreement.

"Agreement" is defined in the preamble.

"Amendment No. 1 to Aficamten Purchase Agreement" means the Amendment No. 1 entered into between the Seller and the Buyer on the date hereof, amending that certain Revenue Participation Right Purchase Agreement dated January 7, 2022 between the Seller and the Buyer (the "Aficamten Purchase Agreement").

"Back-Up Security Interest" is defined in Section 1.4.

"Bankruptcy Laws" means, collectively, in any jurisdiction, bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, fraudulent transfer or other similar laws affecting the enforcement of creditors' rights generally.

"Board Certification" means a certificate executed by an authorized officer of the Seller on the date of the Triggering HFpEF Trial Notice certifying (a) that the Seller's board of directors authorized the initiation of the Triggering HFpEF Trial unconditioned on the Buyer electing to fund the Additional Investment Payments and (b) as to the attached thereto copies of (i) the resolutions adopted by the Seller's board of directors so authorizing the initiation of the Triggering HFpEF Trial and (ii) the materials presented to the Seller's board of directors in adopting such resolutions, which materials may be reasonably redacted.

"Bundled Product" is defined in the definition of Net Sales.

"Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions located in New York are permitted or required by applicable law or regulation to remain closed.

"Buy-Back Assets" is defined in Section 7.4(a).

"Buy-Back Notice" is defined in Section 7.4(a).

"Buy-Back Option" is defined in Section 7.4(a).

"Buy-Back Price" is defined in Section 7.4(a).

"Buyer" is defined in the preamble.

"Buyer Indemnified Parties" is defined in Section 6.1(a).

"Cash Management Obligations" means obligations (in each case, except for business credit cards and overdraft protection, to the extent not constituting a line of credit) in respect of treasury, depository, overdraft, cash pooling, credit or debit cards (including non-card electronic payables), credit card processing services, electronic funds transfer (including automated clearing house funds transfers), and other cash management arrangements, in each case, entered into in the ordinary course of business of the Seller.

"Change of Control" means (a) a transaction or series of related transactions that results in the sale or other disposition of all or substantially all of the Seller's assets (other than any such sale or other disposition to a Subsidiary or Affiliate of the Seller), on a consolidated basis; or (b) a merger or consolidation as a result of which the shareholders of the Seller immediately prior to the consummation of such merger or consolidation do not, immediately after consummation of such merger or consolidation, possess, directly or indirectly through one or more intermediaries, a majority of the voting power of all of the surviving entity's outstanding stock and other securities and the power to elect a majority of the members of the Seller's board of directors; or (c) a transaction or series of related transactions (which may include a tender offer for the Seller's stock or the issuance, sale or exchange of stock of the Seller) if the

shareholders of the Seller immediately prior to the initial such transaction do not, immediately after consummation of such transaction or any of such related transactions, possess, directly or indirectly through one or more intermediaries, a majority of the voting power of all of the Seller's or its successor's or its ultimate parent company's outstanding stock and other securities and the power to elect a majority of the members of the Seller's or its successor's or its ultimate parent company's board of directors.

"CK-586 Subsidiary" is defined in the RP Loan Agreement.

"Clinical Trial" means any clinical investigation of the Product conducted on human subjects, as that term is defined in FDA regulations at 21 C.F.R. § 312.3 or as prescribed by the Regulatory Authority in a country or jurisdiction outside the United States.

"Clinical Updates" means a summary of any material updates with respect to the Clinical Trials conducted by or on behalf of the Seller or a counterparty to any Out-License, including (a) the progress of each Clinical Trial for the Product (including the number of patients currently enrolled in each such Clinical Trial, the number of sites conducting each such Clinical Trial, and any material modifications to each such Clinical Trial, and any serious adverse events attributed to the Product), and (b) the Seller's then-existing plans to start new Clinical Trials, in each case since the later of the date hereof and the date of delivery of the prior Clinical Update.

"CMC" means chemistry, manufacturing and controls with respect to the Product.

"COC Transaction" is defined in Section 7.4(a).

"Co-Packaged Product" is defined in the definition of Net Sales.

"Collateral" is defined in Section 1.4.

"Commercial Updates" means a summary of material updates with respect to the Seller's and its Affiliates' and any licensee's sales and marketing activities and commercial manufacturing matters with respect to the Product, in each case since the later of the date hereof and the date of delivery of the prior Commercial Update.

"Commercialization" means any and all reasonable activities directed to the commercial manufacture, distribution, marketing, detailing, promotion, selling and securing of reimbursement of the Product whether before or after Marketing Approval has been obtained (including the making, using, importing, selling and offering for sale of the Product), and shall include post-Marketing Approval studies, post-launch marketing, promoting, detailing, marketing research, distributing, customer service, selling the Product, importing, exporting or transporting the Product for sale, and regulatory compliance with respect to the foregoing. When used as a verb, "Commercialize" means to engage in Commercialization.

"Confidential Information" is defined in Section 8.1.

"Control" or "Controlled" means, with respect to Patent Rights and Intellectual Property Rights, that a party has the legal authority or right (whether by ownership, license or otherwise) to grant to the other party a license, sublicense, access or other right (as applicable) under such Patent Rights and Intellectual Property Rights, on the terms and conditions set forth herein, in each case without breaching the terms of any agreement with a Third Party.

"Develop" or "Developing" means engaging in manufacturing, preclinical, clinical, or other research and development activities (including manufacturing activities related thereto) directed towards obtaining Marketing Approval. "Development" means the process of Developing.

"Development Notice" is defined in Section 7.6.

"Disclosing Party" is defined in Section 8.1.

"Disclosure Schedule" means the Disclosure Schedule delivered to the Buyer (or to its counsel) by the Seller concurrently with the execution of this Agreement.

"Distributor" means a Third Party that has the right, option or obligation to distribute, market or sell a Product in one or more regions in the Royalty Purchase Territory on behalf of Seller, its Affiliates or Licensees.

"EMA" means the European Medicines Agency, or any successor agency thereto.

"EMA Milestone Event" means receipt of Marketing Approval from the EMA for the Product.

"EMA Milestone Payment" means a payment equal to thirty-seven and one half percent (37.5%) of the Funded Amount at the time of such determination; provided that the EMA Milestone Event occurs prior to the FDA Milestone Event. For clarity, if the Buyer has paid the Maximum Additional Investment Payment Amount to the Seller at the time of the EMA Milestone Event, and the FDA Milestone Event has not yet occurred, the EMA Milestone Payment shall equal $75,000,000 (and an additional $75,000,000 shall be payable upon the occurrence of the FDA Milestone Event).

"FCPA" is defined in Section 3.1(l).

"FDA" means the U.S. Food and Drug Administration, or any successor agency thereto.

"FDA Milestone Event" means receipt of Marketing Approval from the FDA for the Product.

"FDA Milestone Payment" means a payment equal to seventy-five percent (75%) of the Funded Amount at the time of such determination, less any EMA Milestone Payment previously paid to the Buyer pursuant to Section 5.12(a). For clarity, if the Buyer has paid the Maximum Additional Investment Payment Amount to the Seller at the time of the FDA Milestone Event, and the FDA Milestone Event occurs prior to the EMA Milestone Event, the FDA Milestone Payment shall equal $150,000,000 and no EMA Milestone Payment shall be payable under this Agreement.

"FFDCA" means the United States Federal Food, Drug and Cosmetics Act, as amended.

"Final Determination Date" is defined in the definition of "Product Royalty Rate."

"Financial Advisors" is defined in Section 8.2.

"First Commercial Sale" means, the first sale for use or consumption by the general public of the Product. For clarity, First Commercial Sale shall not include any sale or transfer of the Product prior to receipt of Marketing Approval, such as so-called "treatment IND sales," "named patient sales" and "compassionate use sales."

"Funded Amount" means, as of the date of the determination, the aggregate amount paid by the Buyer to the Seller in accordance with Section 2.2 and Section 2.3 plus the Top-Up Payment if paid by the Buyer to the Seller in accordance with Section 5.12.

"Funding Percentage" means, as of the date of the determination, a percentage equal to the quotient of (a) the aggregate Additional Investment Payments paid by the Buyer to the Seller in accordance with Section 2.3 plus the Top-Up Payment if paid by the Buyer to the Seller in accordance with Section 5.12 and (b) One Hundred and Fifty Million Dollars ($150,000,000).

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

"Governmental Entity" means any: (a) nation, principality, republic, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or other entity and any court, arbitrator or other tribunal); (d) multi-national organization or body; or (e) individual, body or other entity exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.

"HFpEF" means heart failure with preserved ejection fraction in humans.

"Indebtedness" of any Person means any indebtedness for borrowed money, obligation evidenced by a note, bond, debenture or similar instrument, or guarantee of any of the foregoing.

"In-License" means any license, settlement agreement or other agreement between the Seller or any of its Affiliates and any Third Party pursuant to which the Seller or any of its Affiliates obtains a license, a covenant not to sue or similar grant of rights to any Patents or other intellectual property rights of such Third Party that is or was reasonably necessary for the Development or Commercialization of the Product which require royalty, milestone or other payment to such Third Party to use such Patents or other intellectual property rights to Develop or Commercialize the Product.

"Initiation" of a Clinical Trial means [*].

"Intellectual Property Rights" means, any and all of the following as they are owned or Controlled by the Seller or any Subsidiary or under which the Seller or any Subsidiary may become empowered to grant licenses: (a) the Patent Rights; (b) rights in registered and unregistered trademarks, service marks, trade names, trade dress, logos, packaging design, slogans and Internet domain names, and registrations and applications for registration of any of the foregoing, in each case, used in the marketing and promotion of the Product; (c) copyrights in both published and unpublished works, including all compilations, databases and computer programs, manuals and other documentation and all copyright registrations and applications, and all derivatives, translations, adaptations and combinations of the above, in each case, as specifically related to the Product; (d) rights in research in progress, algorithms, data, databases, data collections, chemical and biological materials (including any compounds, DNA, RNA, clones, vectors, cells and any expression product, progeny, derivatives or improvements thereto), and the results of experimentation and testing, including samples, in each case, as specifically directly related to the Product; and (e) rights in all Know-How directly related to the Product that is reasonably necessary for the manufacture, use or Commercialization of the Product.

"Intellectual Property Updates" means a list of new Patents issued or filed relating to the Product, or any abandonments or other termination of prosecution with respect to any of the Patent Rights, and any other material information or developments with respect to the Intellectual Property Rights, in each case since the later of the date hereof and the date of delivery of the prior Intellectual Property Update. For the avoidance of doubt, the Seller shall not be required to include any trade secrets or attorney client privileged information in any Intellectual Property Update.

"Judgment" means any judgment, order, writ, injunction, citation, award or decree of any nature.

"Know-How" means any and all proprietary or confidential information, know-how and trade secrets, including processes, formulae, models and techniques (but excluding rights in research in progress, algorithms, data, databases, data collections, chemical and biological materials and the results of experimentation and testing).

"Knowledge of the Seller" means the actual knowledge of [*], after reasonable due inquiry.

"Licensee" means a licensee under any Out-License.

"Lien" means any mortgage, lien, pledge, charge, adverse claim, security interest, encumbrance or hypothecation of any kind, in each case to secure payment of a debt or performance of an obligation.

"Loss" means any and all Judgments, damages, losses, claims, costs, liabilities and expenses, including reasonable fees and out-of-pocket expenses of counsel.

"Loss of Market Exclusivity" means, on a country by country basis, the date that is the later of (a) the last patent expiration that includes a valid claim of an issued patent or a pending patent application in such country that covers the composition of matter or the formulation, method of making or method of using the Product in such country, and (b) the expiration of all regulatory exclusivity for the Product in such country.

"Marketing Approval" means, with respect to the Product in any Royalty Purchase Territory, approval from the applicable Regulatory Authority sufficient for the promotion and sale of the Product in such jurisdiction in accordance with applicable law, including, without limitation, approval of a New Drug Application in the United States.

"Material Adverse Effect" means [*].

"Maximum Additional Investment Payment Amount" is defined in Section 2.3(b).

"MHRA" means the Medicines and Healthcare products Regulatory Agency in the United Kingdom, or any successor agency thereto.

"Milestone Right" means the Buyer's right to receive the EMA Milestone Payment and FDA Milestone Payment pursuant to Section 5.12.

"NDA" means a New Drug Application, as defined in the FFDCA and applicable regulations promulgated thereunder by the FDA, or any corresponding non-U.S. application, registration or certification filed with a non-U.S. Regulatory Authority.

"Net Sales" [*].

"Omecamtiv 2017 Royalty Purchase Agreement" means that certain Royalty Purchase Agreement, dated as of February 1, 2017 between the Seller and RPI Finance Trust.

"Opt-In Right" is defined in Section 2.3(a).

"Option Exercise Period" means the time period commencing on the date the Buyer receives notice from the Seller of the Seller's entry into a definitive agreement to consummate a Change of Control or the date a Change of Control is otherwise announced, as the case may be, and ending on the earlier of the [*] calendar day after such date or [*] Business Days prior to the anticipated closing date of such Change of Control.

"Out-License" means any license or other agreement between the Seller or any of its Affiliates and any Third Party pursuant to which the Seller or any of its Affiliates grants to such Third Party a license or sublicense of, covenant not to sue under, or other similar rights under any Intellectual Property Right that is reasonably necessary for the Commercialization of the Product in the Royalty Purchase Territory in order for such Third Party to Commercialize the Product; provided, however, that "Out-License" shall not include (a) any research licenses; (b) licenses between Seller or its Affiliates, on the one hand, and a Distributor, on the other hand, without any other right to Commercialize the Product; (c) agreements granting non-exclusive rights to Intellectual Property Rights that do not grant any right to market, distribute, sell, or promote the Product, including, but not limited to, manufacturing agreements, material transfer agreements and consulting agreements.

"Overpaid Royalty" means the portion of Royalty Payment paid to the Buyer during the period between the Scheduled Funding Date and the Final Determination Date (if any) in an amount equal to the aggregate Net Sales during such period in each country in the Royalty Purchase Territory multiplied by 1%. For the avoidance of doubt, if (i) the applicable Additional Investment Payment is paid within [*] of the Scheduled Funding Date or (ii) it is finally agreed or adjudicated that the Buyer is not required to pay such Additional Investment Payment, no Overpaid Royalty shall have accrued hereunder.

"Patent Rights" means any and all existing or future Patents that are owned, exclusively in-licensed or otherwise Controlled by the Seller or any Subsidiary or under which the Seller or any Subsidiary is or may become empowered to grant licenses, the subject matter of which is necessary, reasonably useful or actually used for the development, manufacture, use, marketing, promotion, sale or distribution of the Product.

"Patents" means any and all existing and future patents and patent applications, including any continuation, continuation-in-part, division, provisional or any substitute applications, or any patent application claiming priority thereto, including patent applications filed under the Patent Cooperation Treaty or any patent application claiming priority under the Paris Convention, any patent issued with respect to any of the foregoing patent applications, any certificate, reissue, reexamination, renewal or patent term extension or adjustment (including any supplementary protection certificate) of any such patent or other governmental actions which extend any of the subject matter of a patent, and any substitution patent, confirmation patent or registration patent or patent of addition based on any such patent, and all foreign counterparts of any of the foregoing.

"Payment Milestone Date" means the date that the total amount of Royalty Payments paid to the Buyer equals or exceeds [*]% of the Funded Amount as of the date of determination; provided if such date has not occurred by [*], the "Payment Milestone Date" shall be deemed not to have occurred under this Agreement and the Seller shall continue to be bound by the prohibitions in the first sentence of Section 5.10.

"Permitted Licensee" means [*].

"Permitted Liens" means (a) Liens for Taxes not yet delinquent or Liens for Taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established; (b) banker's liens for collection or rights of set off or similar rights and remedies as to deposit accounts or other funds maintained with depositary institutions; (c) any license grant to a licensee under an Out-License or any other licenses not prohibited hereunder; (d) Liens in the nature of right of setoff in favor of counterparties to contractual agreements with the Seller in the ordinary course of business; (e)(i) Permitted Working Capital Liens and (ii) Liens on cash and cash equivalents (and deposit and securities accounts holding such cash and cash equivalents) securing other Permitted Secured Indebtedness; (f) any retained rights of a licensor under any in-license; (g) the Post Buyer Opt-Out Permitted Liens and (h) any Liens in favor of the Buyer or its Affiliates.

"Permitted Secured Indebtedness" means: [*].

"Permitted Working Capital Facility Liens" is defined in Section 5.10(b).

"Person" means any individual, firm, corporation, company, partnership, limited liability company, trust, joint venture, association, estate, trust, Governmental Entity or other entity, enterprise, association or organization.

"Phase 2 Clinical Trial" means a Clinical Trial with the primary objective of evaluating effectiveness for a particular indication or indications in patients with the disease or condition under study and determining common short-term side effects and risks, as described in 21 C.F.R. 312.21(b), or a comparable Clinical Trial prescribed by the relevant Regulatory Authority in a country other than the United States

"Phase 2b/3 Clinical Trial" means a Clinical Trial that satisfies the requirements for both a Phase 2 Clinical Trial and a Phase 3 Clinical Trial and is designed to (a) evaluate effectiveness for a particular indication or indications in patients with the disease or condition under study and determine common short-term side effects and risks and (b) generate data and results that can be submitted to obtain Marketing Approval, regardless of how such Clinical Trial is characterized.

"Phase 3 Clinical Trial" means a Clinical Trial that incorporates accepted endpoints for confirmation of statistical significance of efficacy and safety with the aim to generate data and results that can be submitted to obtain Marketing Approval as described in 21 C.F.R. 312.21(c), or a comparable Clinical Trial prescribed by the relevant Regulatory Authority in a country other than the United States.

"PMDA" means the Pharmaceuticals and Medical Devices Agency in Japan.

"Post Buyer Opt-Out Permitted Liens" is defined in Section 5.10(a).

"Press Release" means one or more press releases describing this Agreement and the transactions contemplated by this Agreement issued individually by the Buyer and/or the Seller in form reasonably satisfactory to the other party.

"Product" means any pharmaceutical that contains the Seller's proprietary small molecule cardiac myosin inhibitor product, referred to as *CK-586*, and any current or future forms thereof, including any reformulations, prodrugs, metabolites, racemates, deuterated forms, pharmaceutical hydrates, solvates, salts, crystalline, bases, esters, isomers, optical isomers, or polymorphs thereof, in any strength, form, formulation, regimen, administration or delivery route.

"Product Assets" means the Seller's and its Affiliates' rights, title and interests in the Product (including all inventory of the Product) and Product Rights owned, licensed or otherwise held by the Seller or any of its Affiliates and any proceeds thereof, including all accounts receivable and general intangibles resulting from the sale, license or other disposition of Product by the Seller or its Affiliates; provided, however, that, upon a Change of Control of the Seller, no Product Rights owned, in-licensed or otherwise held by the acquiring entity (or any of its Affiliates existing prior to such Change of Control or acquired after such Change of Control) as of immediately prior to the closing of such Change of Control (or in the case of an acquired Affiliate, as of immediately prior to the closing of such acquisition) or any Patents determined to have priority to any Patent Rights included therein or other intellectual property rights will be deemed "owned, licensed or otherwise held" for the purposes of this definition. Notwithstanding the foregoing, "Product Assets" shall not include raw materials, work in progress, deposit or securities accounts, chattel paper, instruments, cash or cash equivalents.

"Product Failure" means, with respect to the Product, the occurrence of [*].

"Product Rights" means any and all of the following: (a) Intellectual Property Rights, (b) regulatory filings, submissions and approvals with or from any Regulatory Authorities specifically related to the Product, including any clinical data thereunder, (c) In-Licenses, and (d) Out-Licenses.

"Product Royalty Rate" means the percentage of annual worldwide Net Sales of the Product during a calendar year that equals:

From the date hereof up to and including the date the Buyer exercises its Additional Investment Opt-In Right if exercised in accordance with Section 2.3	1.00%
If the Buyer exercises its Additional Investment Opt-In Right in accordance with Section 2.3, following the date of such exercise	1.00% + (3.50% multiplied by the then Funding Percentage)
If the Buyer does not exercise its Additional Investment Opt-In Right in accordance with Section 2.3	[*]%

provided that, if the Buyer has exercised its Additional Investment Opt-In Right, the foregoing Product Royalty Rate shall be reduced by [*]% (but in no event shall be lower than [*]%) if the Buyer fails to pay any Additional Investment Payment when required pursuant to Section 2.3 (the date such Additional Investment Payment is due, the "Scheduled Funding Date") and such failure is not cured within [*] calendar days of the Buyer's receipt of the Seller's notice of such failure, unless the Buyer is in good faith contesting the obligation to pay any Additional Investment Payment, in which case the Product Royalty Rate shall not be reduced unless and until it is finally agreed or adjudicated (without opportunity for appeal) that the Buyer is required to pay such Payment and the Buyer fails to make such payment within [*] calendar days of such agreement or adjudication (the date of such agreement or adjudication, the "Final Determination Date").

Notwithstanding the foregoing, on a country-by-country basis, the Product Royalty Rate applicable to Net Sales by any Licensee in any country after Loss of Market Exclusivity in such country shall not exceed the royalty rate payable by such Licensee to the Seller for such Net Sales in such country.

"Purchase Price" is defined in Section 1.2.

"Quarterly Deadline" means: (i) with respect to each of the first three calendar quarters in each calendar year, forty-five (45) calendar days after the end of such calendar quarter and (ii) with respect to last calendar quarter in each calendar year, seventy-five (75) calendar days after the end of such calendar quarter.

"Receiving Party" is defined in Section 8.1.

"Regulatory Authority" means any national or supranational governmental authority, including, without limitation, the FDA, the EMA, the MHRA, the PMDA, or any successor agency thereto, that has responsibility in granting a Marketing Approval.

"Regulatory Updates" means a summary of material information and developments that would reasonably be expected to materially impact the Product with respect to any regulatory filings or submissions made to the FDA, the EMA, the MHRA or other Regulatory Authority since the later of the date hereof and the date of delivery of the prior Regulatory Update.

"Reinstatement Development" is defined in Section 7.6.

"Representative" means, with respect to any Person, (a) any direct or indirect stockholder, member or partner of such Person and (b) any manager, director, officer, employee, agent, advisor or other representative (including attorneys, accountants, consultants, bankers, financial advisors and actual and potential lenders and investors) of such Person.

"Revenue Participation Right" means all of the Seller's right, title and interest in, to and under the Royalty (including the right to receive the Royalty Payments), whether now owned or existing or hereafter arising or acquired, together with all proceeds thereof, for the term of this Agreement subject to the terms and conditions set forth herein.

"Royalty" means an undivided percentage ownership interest of Net Sales, in a percentage equal to the aggregate Net Sales during each calendar quarter in each country in the Royalty Purchase Territory multiplied by the then applicable Product Royalty Rate.

"Royalty Payment" means an amount payable to the Buyer equal to the aggregate Net Sales during the applicable calendar quarter in each country in the Royalty Purchase Territory multiplied by the then applicable Product Royalty Rate.

"Royalty Purchase Territory" means worldwide.

"Royalty Report" is defined in Section 5.2(b).

"RP Loan Agreement" is defined in the definition of "Third Amendment to RP Loan Agreement".

"R&D Cost" means, with respect to any calendar quarter, the Seller's good faith estimate of the costs for such calendar quarter expected to be incurred by the Seller and its Affiliates and Licensees in accordance with its implemented accounting practices in compliance with GAAP in connection with the Development of, and obtaining, maintaining or expanding the Marketing Approval for, the Product, as adjusted by such costs actually incurred since the Seller's receipt of the last Additional Investment Payment (or, with respect to the first Additional Investment Payment, since the Triggering HFpEF Trial Initiation); provided, however, that expenses, including any wind-down costs incurred or estimated to be incurred by the Seller or any of its Affiliates with respect to the Product after a Product Failure shall not constitute R&D Costs.

"Safety Notices" means any recalls, field notifications, market withdrawals, warnings, "dear doctor" letters, investigator notices, safety alerts or other notices of action issued or instigated by the Seller, any of its Affiliates or any Regulatory Authority relating to an alleged lack of safety or regulatory compliance of a Product.

"Scheduled Funding Date" is defined in the definition of "Product Royalty Rate."

"SEC" means the Securities and Exchange Commission.

"Seller" is defined in the preamble.

"Seller Indemnified Parties" is defined in Section 6.1(b).

"Senior Debt Provider" means, collectively, the lenders or providers or purchasers (or its or their agents or representatives, as applicable) of Indebtedness or remaining royalties of the Product secured by Post Buyer Opt-Out Permitted Liens (or Permitted Working Capital Facility Liens), as applicable, that enter into an Acceptable Intercreditor Agreement executed and delivered by the Buyer, the Seller, and the applicable Senior Debt Provider in accordance with Section 5.10.

"Similarly Situated Company" shall mean [*].

"sNDA" means a supplemental New Drug Application, as defined in the FFDCA and applicable regulations promulgated thereunder by the FDA, or any corresponding non-U.S. application, registration or certification filed with a non-U.S. Regulatory Authority.

"Specified Efforts" means, [*].

"Study Budget" means the Seller's good faith and reasonably detailed estimate of the R&D Cost that it reasonably expects to incur from the date of the Triggering HFpEF Trial Initiation through the receipt of Marketing Approval from the FDA for the Product, as the same may be updated by the Seller acting in good faith from time to time.

"Subsidiary" means with respect to the Seller any and all corporations, partnerships, limited liability companies, joint ventures, associations and other entities controlled (by contract or otherwise) by the Seller directly or indirectly through one or more intermediaries.

"Tax" or "Taxes" means any present or future U.S. federal, state, local or non-U.S. income, gross receipts, license, payroll, employment, excise, severance, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, abandoned property, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not.

"Third Amendment to RP Loan Agreement" means the third amendment and consent, entered into between the Seller and Royalty Pharma Development Funding, LLC to that certain development funding loan agreement, dated as of January 7, 2022, between the Seller (as borrower thereunder) and Royalty Pharma Development Funding, LLC (as lender thereunder) (as amended, restated, supplemented or otherwise modified from time to time (including, without limitation, pursuant to the Third Amendment to RP Loan Agreement), the "RP Loan Agreement").

"Third Party" means any Person other than the parties hereto (or an Affiliate of such parties).

"Third Party Claim" is defined in Section 6.2.

"Top-Up Deadline" is defined in Section 5.12(a).

"Top-Up Payment" is defined in Section 5.12(a).

"Topping Transaction" is defined in Section 7.4(a).

"Total Net Payments" means as of any date of determination:

(a) the aggregate amount of all Royalty Payments remitted to, or otherwise received by, Buyer pursuant to this Agreement as of such date (including any payments made pursuant to Section 5.5(a)), *less*

(b) all overpayments of Royalty Payments under this Agreement required to be, and actually, reimbursed by the Buyer to the Seller pursuant to Section 5.4 but only to the extent that such overpayments have been included in the calculation under the immediately preceding clause (a), and provided that no prepayment made by the Seller pursuant to Section 5.2(d) shall be deemed an overpayment of Royalty Payments due to the Buyer hereunder provided such credit occurs.

"Transaction Agreements" means, collectively, this Agreement, the Amendment No. 1 to Aficamten Purchase Agreement, the 2024 Development Funding Agreement, the Third Amendment and Consent to the RP Loan Agreement and the bills of sale executed under each of the foregoing.

"Triggering HFpEF Trial" means the first to occur of (a) the first Phase 3 Clinical Trial in HFpEF that the Seller reasonably believes will be the Phase 3 Clinical Trial required to support Marketing Approval in HFpEF in the applicable jurisdiction, and (b) the phase 3 portion of the first Phase 2b/3 Clinical Trial in HFpEF following the receipt of clinical data in the phase 2b portion of such Clinical Trial, where at least one primary endpoint was met in the phase 2b portion of such Clinical Trial and where the Seller reasonably believes that the phase 3 portion of such Clinical Trial will be the Phase 3 Clinical Trial required to support Marketing Approval in HFpEF in the applicable jurisdiction.

"Triggering HFpEF Trial Information" means (a) the final and formal interim data from each Phase 2 or later Clinical Trial (including the Phase 2 portion of any Phase 2b/3 Clinical Trial) with respect to the Product, (b) all materials and minutes from the completed "End of Phase 2" meeting with the FDA to discuss the potential development and regulatory pathways with respect to the Product, (c) the initial Study Budget and (d) the Board Certification.

"Triggering HFpEF Trial Initiation" means the Initiation after the date hereof of the Triggering HFpEF Trial.

"Triggering HFpEF Trial Notice" is defined in Section 2.3(a).

"UCC" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

"Update Report" is defined in Section 5.1(a).

Section 9.2 Certain Interpretations . Except where expressly stated otherwise in this Agreement, the following rules of interpretation apply to this Agreement:

(a) "either" and "or" are not exclusive and "include," "includes" and "including" are not limiting and shall be deemed to be followed by the words "without limitation;"

(b) "extent" in the phrase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not mean simply "if;"

(c) "hereof," "hereto," "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement;

(d) references to a Person are also to its permitted successors and assigns;

(e) definitions are applicable to the singular as well as the plural forms of such terms;

(f) unless otherwise indicated, references to an "Article", "Section" or "Exhibit" refer to an Article or Section of, or an Exhibit to, this Agreement, and references to a "Schedule" refer to the corresponding part of the Disclosure Schedule;

(g) references to "$" or otherwise to dollar amounts refer to the lawful currency of the United States;

(h) references to an agreement or other document include references to any annexes, exhibits and schedules attached thereto; and

(i) references to a law include any amendment or modification to such law and any rules and regulations issued thereunder, whether such amendment or modification is made, or issuance of such rules and regulations occurs, before or after the date of this Agreement.

Section 9.3 Headings. The table of contents and the descriptive headings of the several Articles and Sections of this Agreement and any Exhibits and Schedules are for convenience only, do not constitute a part of this Agreement and shall not control or affect, in any way, the meaning or interpretation of this Agreement.

Section 9.4 Notices. All notices and other communications under this Agreement shall be in writing and shall be by email with PDF attachment, facsimile, courier service or personal delivery to the following addresses, or to such other addresses as shall be designated from time to time by a party hereto in accordance with this Section 9.4:

If to the Seller, to it at:

Cytokinetics, Incorporated
350 Oyster Point Boulevard
South San Francisco, CA 94080
Attn: General Counsel
Telephone: [*]
Facsimile: [*]
Email: [*]

with a copy to:

Cooley LLP
3 Embarcadero Center
20th Floor
San Francisco, CA 94111
Attention: Gian-Michele a Marca
Telephone: [*]
Facsimile: [*]
Email: [*]

If to the Buyer, to it at:

Royalty Pharma Investments 2019 ICAV
110 E. 59th Street, Suite 3300
New York, New York 10022
Attention: General Counsel
Email: [*]

with a copy to:

Goodwin Procter LLP
100 Northern Avenue
Boston, Massachusetts 02210
Attention: Robert M. Crawford and Jacqueline Mercier
Email: [*]

All notices and communications under this Agreement shall be deemed to have been duly given (i) when delivered by hand, if personally delivered, (ii) when received by a recipient, if sent by email, with an acknowledgment of receipt being produced by the recipient's email account, (iii) when sent, if sent by facsimile, with an acknowledgement of sending being produced by the sending facsimile machine or (iv) one Business Day following sending within the United States by overnight delivery via commercial one-day overnight courier service.

Section 9.5 Expenses. Except as otherwise provided herein, all fees, costs and expenses (including any legal, accounting and banking fees) incurred in connection with the preparation, negotiation, execution and delivery of this Agreement and to consummate the transactions contemplated hereby shall be paid by the party hereto incurring such fees, costs and expenses.

Section 9.6 Assignment . The Seller shall not sell, convey, assign, dispose, pledge, hypothecate or otherwise transfer this Agreement, any of its rights or obligations hereunder, without the Buyer's prior written consent, except in connection with the sale, license or transfer of all or substantially all of the Seller's business or assets related to the Product (including this Agreement) to a Permitted Licensee, whether by merger, sale of assets, license, reorganization or otherwise; provided that, in each case upon closing of any such transaction, the Seller causes such Affiliate or Third Party, as applicable, to deliver a writing to the Buyer in which it assumes all of the obligations of the Seller to the Buyer under this Agreement; provided that nothing in this Section 9.6 shall restrict the grant or incurrence of Permitted Liens in accordance with this Agreement. The Buyer may assign this Agreement in whole or in part (it being understood that the Buyer shall remain liable for its or its assignees' obligations under this Agreement); [*]. Subject to the foregoing, this Agreement shall be binding upon, inure to the benefit of and be enforceable by, the parties hereto and their respective permitted successors and assigns. Any purported sale, conveyance, assignment, disposition, pledge, hypothecation or transfer in violation of this Section 9.6 shall be null and void.

Section 9.7 Amendment and Waiver.

(a) This Agreement may be amended, modified or supplemented only in a writing signed by each of the parties hereto. Any provision of this Agreement may be waived only in a writing signed by the party hereto granting such waiver.

(b) No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. No course of dealing between the parties hereto shall be effective to amend, modify, supplement or waive any provision of this Agreement.

Section 9.8 Entire Agreement. This Agreement, the Exhibits annexed hereto and the Disclosure Schedule constitute the entire understanding between the parties hereto with respect to the subject matter hereof and supersede all other understandings and negotiations with respect thereto.

Section 9.9 No Third Party Beneficiaries . This Agreement is for the sole benefit of the Seller and the Buyer and their permitted successors and assigns and nothing herein expressed or implied shall give or be construed to give to any Person, other than the parties hereto and such successors and assigns, any legal or equitable rights hereunder.

Section 9.10 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any other jurisdiction.

Section 9.11 JURISDICTION; VENUE.

(a) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS RESPECTIVE PROPERTY AND ASSETS, TO THE EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT OR FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN NEW YORK COUNTY, NEW YORK, AND ANY APPELLATE COURT THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, AND THE BUYER AND THE SELLER HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREE THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. THE BUYER AND THE SELLER HEREBY AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LAW. EACH OF THE BUYER AND THE SELLER HEREBY SUBMITS TO THE EXCLUSIVE PERSONAL JURISDICTION AND VENUE OF SUCH NEW YORK STATE AND FEDERAL COURTS. THE BUYER AND THE SELLER AGREE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THAT PROCESS MAY BE SERVED ON THE BUYER OR THE SELLER IN THE SAME MANNER THAT NOTICES MAY BE GIVEN PURSUANT TO SECTION 9.4 HEREOF.

(b) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY NEW YORK STATE OR FEDERAL COURT. EACH OF THE BUYER AND THE SELLER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

Section 9.12 Severability . If any term or provision of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any situation in any jurisdiction, then, to the extent that the economic and legal substance of the transactions contemplated hereby is not affected in a manner that is materially adverse to either party hereto, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect and the enforceability and validity of the offending term or provision shall not be affected in any other situation or jurisdiction.

Section 9.13 Specific Performance . Each of the parties acknowledges and agrees that the other party may be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached or violated. Accordingly, notwithstanding Article 6, each of the parties agrees that, without posting bond or other undertaking, the other party will be entitled to an injunction or injunctions to prevent breaches or violations of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action, suit or other proceeding instituted in any court of the United States or any state thereof having jurisdiction over the parties and the matter in addition to any other remedy to which it may be entitled, at law or in equity. Each party further agrees that, in the event of any action for specific performance in respect of such breach or violation, it shall not assert that the defense that a remedy at law would be adequate.

Section 9.14 Relationship of Parties. The relationship between the Buyer and the Seller is solely that of purchaser and seller, and neither the Buyer nor the Seller has any fiduciary or other special

relationship with the other party or any of its Affiliates. This Agreement is not a partnership or similar agreement, and nothing contained herein shall be deemed to constitute the Buyer and the Seller as a partnership, an association, a joint venture or any other kind of entity or legal form for any purposes, including any Tax purposes. The Buyer and the Seller agree that they shall not take any inconsistent position with respect to such treatment in a filing with any Governmental Entity.

Section 9.15 Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Copies of executed counterparts transmitted by telecopy, facsimile or other similar means of electronic transmission, including "***PDF***," shall be considered original executed counterparts, provided receipt of such counterparts is confirmed.

Section 9.16 Withholding.

(a) Each party shall be entitled to deduct and withhold from the payments otherwise required pursuant to this Agreement any such Taxes as the party may be required to deduct and withhold with respect to any such payments under applicable law (it being understood that, solely with respect to U.S. federal withholding Tax, a party shall not make any such deduction or withholding if such party has received a valid, properly executed Internal Revenue Service Form W-9 or W-8BEN-E, as applicable, certifying that other party or the relevant assignee, as applicable, is exempt from U.S. withholding Tax). If a party is required by applicable law to deduct and withhold any Taxes from any such payment, such party shall (i) use commercially reasonable efforts to provide advance written notice of any intention to withhold or deduct any Taxes from such payments to the other party, and (ii) to the extent any such withholding or deduction requirement cannot be mitigated pursuant to clause (b) below, pay the full amount deducted or withheld to the relevant Governmental Entity in accordance with applicable law. To the extent that amounts are so deducted or withheld and paid to the relevant Governmental Entity, except as set forth in the following sentence such deducted and withheld amounts will be treated for all purposes of this Agreement as having been paid to the applicable party. Notwithstanding this Section 9.16(a), if, as a result of a Withholding Action by the Seller (including any assignee or successor), withholding is required by applicable law and the amount of such withholding exceeds the amount of withholding that would have been required if the Seller had not committed the Withholding Action, then the Seller shall pay an additional amount to the Buyer such that, after withholding from the payment contemplated by this Agreement and such additional amount, the Buyer receives the same amount as it would have received from the Seller absent such Withholding Action by the Seller. For the avoidance of doubt, if as a result of a Withholding Action by the Buyer (including any assignee or successor, including any transfer pursuant to Section 9.6) the amount of withholding under the law of the applicable jurisdiction exceeds the amount of such withholding that would have been required in the absence of such Withholding Action by the Buyer, the Seller shall be required to pay an additional amount only to the extent that the Seller would be required to pay any additional amount to the Buyer pursuant to the preceding sentence if the Buyer had not committed such Withholding Action. For purposes of this Section 9.16(a), "Withholding Action" by a party means (i) a permitted assignment or sublicense of this Agreement (in whole or in part) by such party to an Affiliate or a Third Party in a different jurisdiction; (ii) the exercise by such party of its rights under this Agreement (in whole or in part) through an Affiliate or Third Party in a different jurisdiction (or the direct exercise of such rights by an Affiliate of such party outside of the applicable jurisdiction); (iii) a redomiciliation of such party, an assignee or a successor to a jurisdiction outside of the applicable jurisdiction; and (iv) any action taken after the date of this Agreement by such party that causes this Agreement or any payment contemplated by this Agreement to become subject to tax (including by virtue of withholding or deduction) in any additional jurisdictions after the date of this Agreement.

(b) The Buyer and the Seller hereby agree to cooperate in good faith to mitigate the amount of any of such Taxes which the Seller must withhold or deduct pursuant to this Section 9.16, provided, however, that the Buyer shall determine in its sole discretion whether, or the extent to which, its investors shall be involved or be required to be involved in connection with the foregoing.

(c) Notwithstanding anything herein to the contrary, (i) the parties hereunder shall make all payments required to be made pursuant to this Agreement in U.S. dollars by wire transfer of immediately available funds to the bank account designated in writing from time to time by the other party, and (ii) any such payments made by the Buyer shall be made so long as the Seller has provided to the Buyer a valid, properly executed Internal Revenue Service Form W-9 without set-off, reduction or deduction, or withholding for or on account of any U.S. federal withholding taxes.

(d) Provided that Buyer has provided an Internal Revenue Service Form W-8BEN-E in accordance with Section 4.2(c) of this Agreement, and any updated form as may be required by applicable law, the Buyer and Seller agree that under currently applicable law and relevant guidance, the Seller is not required to deduct or withhold any Taxes with respect to any payments required to be made pursuant to this Agreement.

Section 9.17 Tax and Accounting Treatment. The Buyer and the Seller agree to treat, for U.S. federal income and other applicable tax purposes, (i) the transactions contemplated by this Agreement as a contractual sale arrangement between the Buyer and the Seller and not as indebtedness of the Seller, (ii) Buyer's payment of the Purchase Price as received by the Seller in a taxable transaction, (iii) the Seller's payment of the Royalty Payments as received by the Buyer in a taxable transaction and (iv) this Agreement as not giving rise to a partnership or similar arrangement, and nothing contained herein shall be deemed to constitute the Buyer and the Seller as a partnership, an association, a joint venture or any other kind of entity. Each of the Buyer and the Seller shall file all applicable Tax returns consistent with this Section 9.17. If there is an inquiry by any Governmental Entity of the Buyer or the Seller related to this Section 9.17, the Buyer and the Seller shall cooperate with each other in responding to such inquiry in a commercially reasonable manner consistent with this Section 9.17. The Buyer and the Seller agree that, if either determines in good faith based on advice of nationally recognized tax counsel that any provision hereunder is inconsistent with such treatment, the Buyer and Seller shall cooperate to substitute, by mutual consent, provisions consistent with such intended tax treatment for such inconsistent provision, and such provisions shall be effective as of the date such substitution is made. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement shall prevent a party from reporting the transactions contemplated hereby in a manner required by GAAP.

[**Signature Page Follows**]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective representatives thereunto duly authorized as of the date first above written.

SELLER:

CYTOKINETICS, INCORPORATED

By: /s/ Robert I. Blum
Name: Robert I. Blum
Title: President & Chief Executive Officer

BUYER:

ROYALTY PHARMA INVESTMENTS 2019 ICAV

By: RP Management, LLC, its Manager and lawfully appointed attorney

By: /s/ George Lloyd
Name: George Lloyd
Title: EVP & Chief Legal Officer

Exhibit 10.7

CYTOKINETICS, INCORPORATED

COMMON STOCK OPTION PURCHASE AGREEMENT

THIS COMMON STOCK OPTION AND PURCHASE AGREEMENT (the "**Agreement**") is made as of May 22, 2024 (the "**Execution Date**") by and between Cytokinetics, Incorporated, a Delaware corporation (the "**Company**"), and Royalty Pharma Investments 2019 ICAV, an Irish collective asset-management vehicle (the "**Investor**"). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the CK-586 Purchase Agreement (defined below).

RECITALS

WHEREAS, the Company and Investor (or its respective Affiliates) are concurrently herewith entering into that certain CK-586 Revenue Participation Right Purchase Agreement (the "**CK-586 Purchase Agreement**") and the other Transaction Agreements (which Transaction Agreements modify or amend certain underlying agreements as contemplated by such Transaction Agreements (the "**Underlying Agreements**" and, together with the Transaction Agreements and that certain Royalty Purchase Agreement, dated as of February 1, 2017, by and between Company and RPI Finance Trust, as amended by Amendment No. 1 to Royalty Purchase Agreement dated as of January 7, 2022, the "**Collective Transaction Agreements**")); and

WHEREAS, pursuant to terms set forth in this Agreement, the Company has the option to sell to the Investor, and the Investor agrees to purchase from the Company upon the exercise of such option, shares of the Company's common stock, par value $0.001 per share (the "**Common Stock**").

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and contained in the Transaction Agreements, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1

Company Option

1.1***Next Equity Financing***.

(a) Subject to compliance with the requirements of applicable securities laws and the terms and conditions hereof, in the event the Company proposes to offer or sell shares of Common Stock having an aggregate value of at least $250,000,000 (excluding amounts to be purchased by the Investor) in a bona fide registered offering for equity securities, whether an underwritten public offering or a so-called bought deal or other similar transaction, on or before August 20, 2024 (the "**Next Equity Financing**"), the Company will have the option, but not the obligation, to offer to Investor shares of Common Stock with a total purchase price of $50,000,000 (as adjusted for any rounded share amounts, the "**Aggregate Purchase Price**"), at the same purchase price per share offered to the public in the Next Equity Financing (the "**Next Equity Financing Price Per Share**"). Notwithstanding the foregoing, in the event the underwriter(s) in the Next Equity Financing resells purchased shares of Common Stock at variable prices, then the Next Equity Financing Price Per Share

shall be equal to the final reoffer price per share communicated to the public investors in such Next Equity Financing as supported by documentation reasonably acceptable to the Investor; provided that, if such final reoffer price per share is not available or ascertainable, then the Next Equity Financing Price Per Share shall equal the price paid by the underwriter(s) in such Next Equity Financing. Such Company option shall only be available to the Company for the firm commitment portion of the Next Equity Financing and not for any option by the underwriter(s) to purchase additional shares associated therewith or any subsequent public or private offering by the Company. Upon the Company's exercise of such option, the Investor will have the obligation to purchase the shares of Common Stock offered to Investor in a separate but substantially concurrent private placement (the "**Private Placement**") per the terms of this Agreement.

(b) The Company shall give notice at least two business days prior to the closing of the Next Equity Financing (the "**Option Notice**") to Investor stating (i) the Company's intention to conduct a Next Equity Financing, (ii) the Company's exercise of the option to sell shares of Common Stock to Investor and (iii) to the extent known or otherwise contemplated, the price and terms of such Next Equity Financing.

SECTION 2

Purchase and Sale of Shares

2.1***Sale of Shares***. If an Option Notice has been delivered to Investor, subject to the terms and conditions hereof, the Company will issue and sell to the Investor, and the Investor will purchase from the Company, at the Closing (as defined below), a number of shares of Common Stock (the "**Shares**") equal to the Aggregate Purchase Price divided by the Next Equity Financing Price Per Share (rounded down to the nearest whole Share).

2.2***Closing***. Subject to the satisfaction or waiver of the conditions set forth in Section 5 and 6 (other than those conditions that by their nature are to be satisfied at or immediately prior to the Closing), the purchase and sale of the Shares shall take place remotely via the exchange of documents and signatures (the "**Closing**") on the date of, or within one business day following, the closing of the Next Equity Financing, or such other date, time and place as agreed by both parties (the "**Closing Date**"). At the Closing, the Company will deliver or cause to be delivered to the Investor a certificate or certificates or book entry position representing the Shares that the Investor is purchasing and, concurrently, the Investor shall pay the Aggregate Purchase Price (adjusted for any rounding) to the Company by wire transfer of immediately available funds in accordance with the Company's written instructions provided to the Investor prior to the Closing.

SECTION 3

Representations and Warranties of the Company

The Company hereby represents and warrants that as of the Execution Date and as of the Closing Date:

3.1***Organization and Good Standing and Qualifications***. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has

all requisite power and authority to own, lease, operate and occupy its properties and to carry on its business as now being conducted. The Company does not own outstanding capital stock of or control any other business entity, other than its wholly-owned subsidiaries. The Company is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which the nature of the business conducted or property owned or leased by it makes such qualification necessary, other than those in which the failure so to qualify or be in good standing would not have a Material Adverse Effect. For purposes of this Agreement, "**Material Adverse Effect**" shall mean any event or condition that would reasonably be likely to have a material adverse effect on the business, operations, properties or financial condition of the Company and its consolidated subsidiaries, taken as a whole, or adversely affect in any material respect the ability of the Company to perform its obligations, or the Investor's or the Investor's Affiliate's, as applicable, rights, under any of the Collective Transaction Agreements; provided, that none of the following shall constitute a "Material Adverse Effect": the effects of conditions or events that are generally applicable to the capital, financial, banking or currency markets and the biotechnology industry, and changes in the market price of the Common Stock.

3.2***Authorization***. (i) The Company has the requisite corporate power and authority to enter into and perform its obligations under this Agreement; (ii) the execution and delivery of this Agreement by the Company, the consummation by the Company of the transactions contemplated hereby and thereby and the issuance, sale and delivery of the Shares have been duly authorized by all necessary corporate action and no further consent or authorization of the Company or its Board of Directors or stockholders is required; and (iii) the Agreement has been duly executed and delivered and constitutes a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, securities, insolvency, or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies, or indemnification or by other equitable principles of general application.

3.3***Valid Issuance of Shares***. The issuance of the Shares has been duly authorized by all requisite corporate action. When the Shares are issued, sold and delivered in accordance with the terms of this Agreement for the consideration expressed herein, the Shares will be duly and validly issued and outstanding, fully paid, and nonassessable, and will be free of all liens and restrictions on transfer other than restrictions on transfer under this Agreement and under applicable state and federal securities laws and except as set forth in this Agreement the Investor shall be entitled to all rights accorded to a holder of shares of Common Stock. The Company has reserved a sufficient number of shares of Common Stock for issuance to the Investor in accordance with the Company's obligations under this Agreement.

3.4***No Conflict***. The execution, delivery and performance of this Agreement, and any other document or instrument contemplated hereby, by the Company and the consummation by the Company of the transactions contemplated hereby, do not: (i) violate any provision of the Company's Certificate of Incorporation or Bylaws, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any material agreement, mortgage, deed of trust, indenture, note, bond, license, lease agreement, instrument or obligation to which the Company is a party where such default or conflict would constitute a Material Adverse Effect, (iii) create or impose a lien, charge or encumbrance on any property of the Company under any agreement or any commitment to which the Company is a party or by which the Company is bound, which would constitute a Material Adverse Effect, (iv) result in a violation of any federal, state, local or foreign

statute, rule, regulation, order, writ, judgment or decree (including federal and state securities laws and regulations) applicable to the Company or any of its subsidiaries or by which any property or asset of the Company are bound or affected where such violation would constitute a Material Adverse Effect, or (v) require any consent of any third-party that has not been obtained pursuant to any material contract to which the Company is subject or to which any of its assets, operations or management may be subject where the failure to obtain any such consent would constitute a Material Adverse Effect. The Company is not required under federal, state or local law, rule or regulation to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under this Agreement or issue and sell the Shares in accordance with the terms hereof (other than any filings that may be required to be made by the Company with the Securities and Exchange Commission (the "**Commission**"), Financial Industry Regulatory Authority (FINRA), Nasdaq or state securities commissions subsequent to the Closing); provided that, for purposes of the representation made in this sentence, the Company is assuming and relying upon the accuracy of the relevant representations and agreements of the Investor herein.

3.5***Compliance***. The Company is not, and the execution and delivery of this Agreement and the consummation of the transactions contemplated herewith will not cause the Company to be (i) in violation or default of any provision of any instrument, mortgage, deed of trust, loan, contract, commitment filed with the Commission Documents (as defined below), (ii) in violation of any provision of any judgment, decree, order or obligation to which it is a party or by which it or any of its properties or assets are bound, or (iii) in violation of any federal, state or, to its knowledge, local statute, rule or governmental regulation, in the case of each of clauses (i), (ii) and (iii), which would have a Material Adverse Effect.

3.6***Capitalization***. As of March 31, 2024 (the "**Reference Date**"), a total of 104,773,959 shares of Common Stock were issued and outstanding, increased as set forth in the next sentence. Other than in the ordinary course of business, the Company has not issued any capital stock since the Reference Date other than pursuant to (i) employee benefit plans disclosed in the Commission Documents or (ii) outstanding warrants, options or other securities disclosed in the Commission Documents. The outstanding shares of capital stock of the Company have been duly and validly issued and are fully paid and nonassessable, were not issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities, and, for those shares issued until the Closing, have been issued in compliance with all federal and state securities laws, in each case except as would not reasonably be expected to have a Material Adverse Effect. Except as set forth in the Commission Documents and for that certain Underwriting Agreement dated as of even date herewith between the Company and the Underwriters party thereto for the Next Equity Financing (the "**Underwriting Agreement**"), there are no outstanding rights (including, without limitation, preemptive rights), warrants or options to acquire, or instruments convertible into or exchangeable for, any unissued shares of capital stock or other equity interest in the Company, or any contract, commitment, agreement, understanding or arrangement of any kind to which the Company is a party and relating to the issuance or sale of any capital stock of the Company, any such convertible or exchangeable securities or any such rights, warrants or options. Without limiting the foregoing, no preemptive right, co-sale right, right of first refusal, registration right, or other similar right exists with respect to the Shares or the issuance and sale thereof. There are no shareholder agreements, voting agreements or

other similar agreements with respect to the voting of the Shares to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's shareholders.

3.7***Commission Documents, Financial Statements***. The Company's Common Stock is registered pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and during the past twelve (12) months the Company has timely filed all reports, schedules, forms, statements and other documents required to be filed by it with the Commission pursuant to the reporting requirements of the Exchange Act, including material filed pursuant to Section 13(a) or 15(d) of the Exchange Act (all of the foregoing, including filings incorporated by reference therein, being referred to herein as the "**Commission Documents**"). The Company's Common Stock is currently listed or quoted on the Nasdaq Global Select Market ("**Nasdaq**"). The Company is not in violation of the listing requirements of Nasdaq and has no knowledge of any facts that would reasonably lead to delisting or suspension of its common stock from Nasdaq in the foreseeable future. As of its date, each Commission Document filed within the past twelve (12) months complied in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission promulgated thereunder applicable to such document, and, as of its date, after giving effect to the information disclosed and incorporated by reference therein, no such Commission Document within the past twelve (12) months contained any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company included in the Commission Documents filed with the Commission during the past twelve (12) months complied as to form and substance in all material respects with applicable accounting requirements and the published rules and regulations of the Commission or other applicable rules and regulations with respect thereto. Such financial statements have been prepared in accordance with generally accepted accounting principles ("**GAAP**") applied on a consistent basis during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto or (ii) in the case of unaudited interim financial statements, to the extent they may not include footnotes or may be condensed or summary statements), and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments).

3.8***Internal Controls and Procedures.*** The Company maintains disclosure controls and procedures as such terms are defined in, and required by, Rule 13a-15 and Rule 15d-15 under the Exchange Act. Such disclosure controls and procedures are effective as of the latest date of management's evaluation of such disclosure controls and procedures as set forth in the Commission Documents to ensure that all material information required to be disclosed by the Company in the reports that it files or furnishes under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Commission. The Company maintains a system of internal controls over financial reporting sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP.

3.9***Material Adverse Change***. Except as disclosed in the Commission Documents, since March 31, 2024, no event or series of events has or have occurred that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company.

3.10***No Undisclosed Liabilities***. To the Company's knowledge, neither the Company nor any of its subsidiaries has any liabilities, obligations, claims or losses (whether liquidated or unliquidated, secured or unsecured, absolute, accrued, contingent or otherwise) that would be required to be disclosed on a balance sheet of the Company or any of its subsidiaries (including the notes thereto) in conformity with GAAP and are not disclosed in the Commission Documents, other than those incurred in the ordinary course of the Company's or its subsidiaries' respective businesses since March 31, 2024.

3.11***No Undisclosed Events or Circumstances***. Except for the transactions contemplated by this Agreement and the Collective Transaction Agreements, no event or circumstance has occurred or exists with respect to the Company, its subsidiaries, or their respective businesses, properties, operations or financial condition, which, under applicable law, rule or regulation, requires public disclosure or announcement by the Company but which has not been so publicly announced or disclosed and which, individually or in the aggregate, would have a Material Adverse Effect on the Company.

3.12***Actions Pending***. There is no action, suit, claim, investigation or proceeding pending or, to the knowledge of the Company, threatened against the Company or any subsidiary of the Company which questions the validity of this Agreement or the transactions contemplated hereby or any action taken or to be taken pursuant hereto. Except as set forth in the Commission Documents, there is no action, suit, claim, investigation or proceeding pending or, to the knowledge of the Company, threatened, against or involving the Company, any subsidiary of the Company, or any of their respective properties or assets that could be reasonably expected to have a Material Adverse Effect on the Company. Except as set forth in the Commission Documents, no judgment, order, writ, injunction or decree or award has been issued by or, to the knowledge of the Company, requested of any court, arbitrator or governmental agency which could be reasonably expected to result in a Material Adverse Effect.

3.13***Compliance with Law***. The businesses of the Company and its subsidiaries have been and are presently being conducted in accordance with all applicable federal, state and local governmental laws, rules, regulations and ordinances, except as would not reasonably be expected to cause a Material Adverse Effect. The Company and each of its subsidiaries have all franchises, permits, licenses, consents and other governmental or regulatory authorizations and approvals necessary for the conduct of its business as now being conducted by it, except for such franchises, permits, licenses, consents and other governmental or regulatory authorizations and approvals, the failure to possess which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

3.14***Exemption from Registration, Valid Issuance***. Subject to, and in reliance on, the representations, warranties and covenants made herein by the Investor, the issuance and sale of the Shares in accordance with the terms and on the bases of the representations and warranties set forth in this Agreement, may and shall be properly issued pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "**Securities Act**"), Regulation D promulgated pursuant to the Act ("**Regulation D**") and/or any other applicable federal and state securities laws. The sale and issuance of the Shares pursuant to, and the Company's performance of its obligations under, this Agreement will not (i) result in the creation or imposition of any liens, charges, claims or other encumbrances upon the Shares or any of the assets of the Company, or (ii) entitle the holders of any outstanding shares of capital stock

of the Company to preemptive or other rights to subscribe to or acquire the Shares or other securities of the Company.

3.15***Transfer Taxes***. All stock transfer or other taxes (other than income taxes) which are required to be paid in connection with the sale and transfer of the Shares to be sold to Investor hereunder will be, or will have been, fully paid or provided for by the Company and all laws imposing such taxes will be or will have been fully complied with by the Company.

3.16***Investment Company***. The Company is not and, after giving effect to the offering and sale of the Shares, will not be an "investment company" as defined in the Investment Company Act of 1940, as amended.

3.17***Brokers***. Except fees payable by the Company to Evercore Group LLC or as expressly set forth in this Agreement or the Transaction Agreements, no brokers, finders or financial advisory fees or commissions will be payable by the Company or any of its subsidiaries in respect of the transactions contemplated by this Agreement or the Transaction Agreements.

SECTION 4

Representations and Warranties of the Investor

The Investor hereby represents and warrants that as of the Execution Date and as of the Closing Date:

4.1***Experience***. The Investor is experienced in evaluating companies such as the Company, has such knowledge and experience in financial and business matters that the Investor is capable of evaluating the merits and risks of the Investor's prospective investment in the Company, and has the ability to bear the economic risks of the investment.

4.2***Investment***. The Investor is acquiring the Shares for investment for the Investor's own account and not with the view to, or for resale in connection with, any distribution thereof. The Investor understands that the Shares have not been and will not be registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent as expressed herein. The Investor further represents that it does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participation to any third person with respect to any of the Shares.

4.3***Rule 144***. The Investor acknowledges that the Shares must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available. The Investor is aware of the provisions of Rule 144 promulgated under the Securities Act which permit limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions. In connection therewith, the Investor acknowledges that the Company will make a notation on its stock books regarding the restrictions on transfers set forth in this Section 4, subject to Section 8.2, and will transfer the Shares on the books of the Company only to the extent not inconsistent herewith and therewith.

4.4***Access to Information***. The Investor has received and reviewed information about the Company and has had an opportunity to discuss the Company's business, management and financial affairs with its management and to review the Company's facilities. The Investor has had a full opportunity to ask questions of and receive answers from the Company, or any person or persons acting on behalf of the Company, concerning the terms and conditions of an investment in the Shares. The Investor is not relying upon, and has not relied upon, any statement, representation or warranty made by any person, except for the statements, representations and warranties contained in this Agreement and the Transaction Agreements.

4.5***Authorization***. This Agreement when executed and delivered by the Investor will constitute a valid and legally binding obligation of the Investor, enforceable in accordance with its terms, subject to: (i) judicial principles respecting election of remedies or limiting the availability of specific performance, injunctive relief, and other equitable remedies; and (ii) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect generally relating to or affecting creditors' rights.

4.6***Investor Status***. The Investor acknowledges that it is either (i) an institutional "accredited investor" as defined in Rule 501(a) of Regulation D of the Securities Act or (ii) a "qualified institutional buyer" as defined in Rule 144A of the Securities Act, and the Investor shall submit to the Company such further assurances of such status as may be reasonably requested by the Company.

4.7***No Inducement***. The Investor was not induced to participate in the offer and sale of the Shares by the filing of any registration statement in connection with any public offering of the Company's securities, and the Investor's decision to purchase the Shares hereunder was not influenced by the information contained in any such registration statement.

SECTION 5

Conditions to Investor's Obligations at Closing

The obligations of the Investor under this Agreement are subject to the fulfillment on or before the Closing of each of the following conditions, any of which may be waived in writing by the Investor (except to the extent not permitted by law):

5.1***No Injunction, etc***. No preliminary or permanent injunction or other binding order, decree or ruling issued by a court or governmental agency shall be in effect which shall have the effect of preventing the consummation of the transactions contemplated by this Agreement. No action or claim shall be pending before any court or quasi-judicial or administrative agency of any federal, state, local or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling or charge would be reasonably likely to (i) prevent consummation of any of the transactions contemplated by this Agreement, (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation or (iii) have the effect of making illegal the purchase of, or payment for, any of the Shares by the Investor. No stop order or suspension of trading shall have been imposed by Nasdaq, the NASDAQ Market, the Commission or any other governmental or regulatory body with respect to public trading in the Common Stock.

5.2***Representations and Warranties***. The representations and warranties of the Company contained in Section 3 shall have been true and correct in all material respects (except for such representations and warranties that are qualified by "materiality" or "Material Adverse Effect" which shall be true and correct in all respects) on and as of the Execution Date and as of the Closing Date, with the same effect as though such representations and warranties had been made on and as of such date.

5.3***Performance***. The Company shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing Date.

5.4***Compliance Certificate***. A duly authorized officer of the Company shall deliver to the Investor at the Closing a certificate stating that the conditions specified in Sections 5.2 and 5.3 have been fulfilled and certifying and attaching the Company's Certificate of Incorporation, Bylaws and authorizing Board of Directors resolutions with respect to this Agreement and the transactions contemplated hereby.

5.5***Securities Laws***. The offer and sale of the Shares to the Investor pursuant to this Agreement shall be exempt from the registration requirements of the Securities Act and the registration and/or qualification requirements of all applicable state securities laws.

5.6***Authorizations***. All authorizations, approvals or permits, if any, of any governmental authority or regulatory body that are required in connection with the lawful issuance and sale of the Shares pursuant to this Agreement shall have been duly obtained and shall be effective on and as of the Closing.

5.7***Legal Opinion***. The Investor shall have received a legal opinion from Cooley LLP in form and substance reasonably acceptable to the Investor.

5.8***Other Transaction Agreements***. The transactions under each of the Transaction Agreements shall have closed, and each of the Collective Transaction Agreements shall be in full force and effect and the Company shall not be in breach of any obligation thereunder in any material respect.

5.9***Next Equity Financing***. The Next Equity Financing shall have closed.

SECTION 6

Conditions to the Company's Obligations at Closing

The obligations of the Company to the Investor under this Agreement are subject to the fulfillment on or before the Closing of each of the following conditions by the Investor:

6.1***Representations and Warranties***. The representations and warranties of the Investor contained in Section 4 shall be true and correct in all material respects (except for such representations and warranties that are qualified by materiality which shall be true and correct in all respects) on and as of the Effective Date and as of the Closing Date, with the same effect as though such representations and warranties had been made on and as of such date.

6.2***Securities Law Compliance***. The offer and sale of the Shares to the Investor pursuant to this Agreement shall be exempt from the registration requirements of the Securities Act and the registration and/or qualification requirements of all applicable state securities laws.

6.3***Authorization***. All authorizations, approvals or permits, if any, of any governmental authority or regulatory body that are required in connection with the lawful issuance and sale of the Shares pursuant to this Agreement shall have been duly obtained and shall be effective on and as of the Closing.

6.4***Other Transaction Agreements***. The transactions under each of the Transaction Agreements shall have closed, and each of the Collective Transaction Agreements shall be in full force and effect and the Investor shall not be in breach of any obligation thereunder in any material respect.

SECTION 7

Investor Covenants

7.1***Trading Restrictions***.

(a) Definitions.

(i) "**Affiliate**" shall have the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act of 1934, as amended.

(ii) "**Restriction Period**" shall mean the period commencing on the Closing Date and continuing until the date six months following the Closing Date.

(iii) "**Significant Event**" shall mean any of the following not involving a violation of this Section 7: (A) the public announcement of a proposal or intention to acquire, or the acquisition, by any person or 13D Group of beneficial ownership of Voting Securities representing 15% or more of the then outstanding Voting Securities; (B) the public announcement of a proposal or intention to commence, or the commencement, by any person or 13D Group of a tender or exchange offer to acquire Voting Securities which, if successful, would result in such person or 13D Group owning, when combined with any other Voting Securities owned by such person or 13D Group, 15% or more of the then outstanding Voting Securities; or (C) the entry into by the Company, or the public announcement by the Company of an intention or determination to enter into, any merger, sale or other business combination transaction, or an agreement therefor, pursuant to which the outstanding shares of capital stock of the Company would be converted into cash, other consideration or securities of another person or 13D Group or 50% or more of the then outstanding shares of capital stock of the Company would be owned by persons other than the then current holders of shares of capital stock of the Company, or which would result in all or a substantial portion of the Company's assets being sold to any person or 13D Group.

(iv) "**Voting Securities**" shall mean at any time shares of any class of capital stock of the Company which are then entitled to vote generally in the election of directors.

(v) "**13D Group**" shall mean, with respect to the Voting Securities of the Company, any group of persons formed for the purpose of acquiring, holding, voting or disposing of such Voting Securities which would be required under Section 13(d) of the Exchange Act and the rules and regulations thereunder to file a statement on Schedule 13D with the Commission as a "person" within the meaning of Section 13(d)(3) of the Exchange Act if such group beneficially owned Voting Securities representing more than 5% of the total combined voting power of all such Voting Securities then outstanding.

(b) Restriction Period No Sell. The Investor agrees that during the Restriction Period, neither the Investor nor any of its Affiliates shall offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of in any manner, either directly or indirectly ("**Sale**" or "**Sell**"), any Shares, or any securities of the Company issued as a dividend or distribution on, or involving a recapitalization or reorganization with respect to, such Shares (collectively, "**Covenant Shares**"), other than transfers of securities between and among the Company and any one or more of its Affiliates. Without limiting the Company's obligations under Section 8.2, the Company shall use commercially reasonable efforts to permit the Shares to be eligible for clearance and settlement through the facilities of The Depository Trust Company immediately following the termination of the Restriction Period.

(c) Occurrence of Significant Event. The restrictions contained in Section 7.1(b) shall be suspended and shall not apply to or otherwise restrict the Investor's actions in respect of the Company's securities for so long as a Significant Event has occurred and is continuing.

7.2***Invalid Transfers***. Any sale, assignment or other transfer of Covenant Shares by the Investor or any of its Affiliates, as applicable, contrary to the provisions of this Section 7 shall be null and void, and the transferee shall not be recognized by the Company as the holder or owner of the Covenant Shares sold, assigned, or transferred for any purpose (including, without limitation, voting or dividend rights), unless and until the Investor or such Affiliate, as applicable, has satisfied the requirements of this Section 7 with respect to such sale. The Investor shall provide the Company with written evidence that such requirements have been met or waived, prior to it or its Affiliates consummating any sale, assignment or other transfer of securities, and no Covenant Shares shall be transferred on the books of the Company until such written evidence has been received by the Company from the Investor. The Company, or, at the instruction of the Company, the transfer agent of the Company, may place a legend on any certificate representing Covenant Shares stating that such shares are subject to the restrictions contained in this Agreement; provided that the Company shall remove, or instruct the transfer agent to remove, such legend upon the expiration of the Restriction Period. Upon delivery by the Investor of the written evidence required above, the Company agrees to facilitate the timely preparation and delivery (but in no event longer than three (3) trading days) of certificates representing the Covenant Shares to be sold by the Investor or any Affiliate free of any restrictive legends and in such denominations and registered in such names as the Investor or such Affiliate may request in connection with such sale.

7.3***Performance by Affiliates.*** The Investor shall remain responsible for and guarantee its Affiliates' performance in connection with this Agreement, and shall cause each such Affiliate to comply fully with the provisions of this Agreement in connection with such performance. The Investor hereby expressly waives any requirement that the Company exhaust any right, power or remedy, or

proceed directly against such an Affiliate, for any obligation or performance hereunder, prior to proceeding directly against the Investor.

SECTION 8

Resales

8.1***Rule 144 Reporting***. With a view to making available to the Investor the benefits of certain rules and regulations of the Commission which may permit the sale of the Shares to the public without registration, the Company agrees to use commercially reasonable efforts to:

(a) Make and keep public information available, as those terms are understood and defined in Rule 144 promulgated under the Securities Act; and

(b) File with the Commission in a timely manner all reports and other documents required of the Company under the Exchange Act.

8.2***Restrictive Legend***. The certificates or book entry position representing the Shares, when issued, will bear a restrictive legend in substantially the following form:

"THE SECURITIES EVIDENCED OR CONSTITUTED HEREBY HAVE BEEN ISSUED WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") AND MAY NOT BE SOLD, OFFERED FOR SALE, TRANSFERRED, PLEDGED OR HYPOTHECATED WITHOUT REGISTRATION UNDER THE ACT UNLESS EITHER (i) THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT REGISTRATION IS NOT REQUIRED IN CONNECTION WITH SUCH DISPOSITION OR (ii) THE SALE OF SUCH SECURITIES IS MADE PURSUANT TO SECURITIES AND EXCHANGE COMMISSION RULE 144."

The legend set forth in this Section 8.1 and the related notation in the Company's stock books shall be removed and the Company shall issue a certificate or book entry position without such legend or any other legend to the holder of the Shares or issue to such holder by electronic delivery at the applicable balance account at the Depository Trust Company, if (i) the Shares are registered for resale under the Securities Act, (ii) the Shares are sold or transferred in compliance with to Rule 144, or (iii) the Shares are eligible for sale under Rule 144, without the requirement for the Company to be in compliance with the current public information required under Rule 144. Following Rule 144 becoming available for the resale of Shares, without the requirement for the Company to be in compliance with the current public information required under Rule 144, the Company shall (at the Company's expense), upon the written request of Investor, cause its counsel to issue to the Company's transfer agent a legal opinion authorizing the issuance of a certificate or book entry position representing the Shares without any restrictive or other legends, if requested by such transfer agent. Notwithstanding anything in this Agreement to the contrary, promptly following the one-year anniversary of the Closing Date, the Company shall remove any legend from the certificates or book-entry position representing the Shares then held by Investor. The Company shall be responsible for

the fees of its transfer agent and counsel to the Company associated with any such removal of restrictions or other legends.

SECTION 9

Indemnification

Each party (an "**Indemnifying Party**") hereby indemnifies and holds harmless the other party, such other party's respective officers, directors, employees, consultants, representatives and advisers, and any and all Affiliates (as defined in Section 7.1(a)) of the foregoing (each of the foregoing, an "**Indemnified Party**") from and against all losses, liabilities, costs, damages and expense (including reasonable legal fees and expenses) (collectively, "**Losses**") suffered or incurred by any such Indemnified Party to the extent arising from, connected with or related to (i) breach of any representation or warranty of such Indemnifying Party in this Agreement; and (ii) breach of any covenant or undertaking of any Indemnifying Party in this Agreement. If an event or omission (including, without limitation, any claim asserted or action or proceeding commenced by a third party) occurs which an Indemnified Party asserts to be an indemnifiable event pursuant to this Section 9, the Indemnified Party will provide written notice to the Indemnifying Party, setting forth the nature of the claim and the basis for indemnification under this Agreement. The Indemnified Party will give such written notice to the Indemnifying Party immediately after it becomes aware of the existence of any such event or occurrence. Such notice will be a condition precedent to any obligation of the Indemnifying Party to act under this Agreement but will not relieve it of its obligations under the indemnity except to the extent that the failure to provide prompt notice as provided in this Agreement prejudices the Indemnifying Party with respect to the transactions contemplated by this Agreement and to the defense of the liability. In case any such action is brought by a third party against any Indemnified Party and it notifies the Indemnifying Party of the commencement thereof, the Indemnifying Party will be entitled to participate therein and, to the extent that it wishes, to assume the defense and settlement thereof with counsel reasonably selected by it and, after notice from the Indemnifying Party to the Indemnified Party of such election so to assume the defense and settlement thereof, the Indemnifying Party will not be liable to the Indemnified Party for any legal expenses of other counsel or any other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof, provided, however, that an Indemnified Party shall have the right to employ separate counsel at the expense of the Indemnifying Party if (i) the employment thereof has been specifically authorized in writing by the Indemnifying Party; or (ii) representation of both parties by the same counsel would be inappropriate due to actual or potential conflicts of interests between such parties (which such judgment shall be made in good faith after consultation with counsel). The Indemnified Party agrees to cooperate fully with (and to provide all relevant documents and records and make all relevant personnel available to) the Indemnifying Party and its counsel, as reasonably requested, in the defense of any such asserted claim at no additional cost to the Indemnifying Party. No Indemnifying Party will consent to the entry of any judgment or enter into any settlement with respect to any such asserted claim without the prior written consent of the Indemnified Party, not to be unreasonably withheld or delayed, (a) if such judgment or settlement does not include as an unconditional term thereof the giving by each claimant or plaintiff to each Indemnified Party of a release from all liability in respect to such claim or (b) if, as a result of such consent or settlement, injunctive or other equitable relief would be imposed against the Indemnified Party or such judgment

or settlement could materially and adversely affect the business, operations or assets of the Indemnified Party. No Indemnified Party will consent to the entry of any judgment or enter into any settlement with respect to any such asserted claim without the prior written consent of the Indemnifying Party, not to be unreasonably withheld or delayed. If an Indemnifying Party makes a payment with respect to any claim under the representations or warranties set forth herein and the Indemnified Party subsequently receives from a third party or under the terms of any insurance policy a sum in respect of the same claim, the receiving party will repay to the other party such amount that is equal to the sum subsequently received.

SECTION 10

Miscellaneous

10.1 ***Governing Law***. This Agreement shall be governed in all respects by the laws of the State of New York as applied to agreements entered into and performed entirely in the State of New York by residents thereof.

10.2 ***Survival***. The representations, warranties, covenants and agreements made herein shall survive any investigation made by the Investor and the Closing.

10.3 ***Successors, Assigns***. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto. This Agreement may not be assigned by either party without the prior written consent of the other; except that either party may assign this Agreement to an Affiliate (as defined in Section 7.1(a)) of such party or to any third party that acquires all or substantially all of such party's business, whether by merger, sale of assets or otherwise.

10.4 ***Notices***. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, return receipt requested, or otherwise delivered by hand or by messenger, addressed

if to the Investor, at the following address:

Royalty Pharma Investments 2019 ICAV
110 East 59th St, Suite 3300
New York, NY 10022
Attention: General Counsel

E-mail: legaltransactions@royaltypharma.com

with a copy to:

Goodwin Procter LLP
100 Northern Avenue
Boston, Massachusetts 02210
Attention: Robert M. Crawford and Jacqueline Mercier

Email: rcrawford@goodwinlaw.com; jmercier@goodwinlaw.com

if to the Company, at the following address:

Cytokinetics, Incorporated
350 Oyster Point Blvd
South San Francisco, CA 94080
Attention: VP, Associate General Counsel
Email: JFaurescu@cytokinetics.com

with a copy to:

Cooley LLP
3175 Hanover St.
Palo Alto, CA 94304
Attention: Alan Hambelton
Telephone: (206) 452-8756
Email: ahambelton@cooley.com

or at such other address as one party shall have furnished to the other party in writing. All notices and communications under this Agreement shall be deemed to have been duly given (i) when delivered by hand, if personally delivered, (ii) when received by a recipient, if sent by email or (iii) one Business Day following sending within the United States by overnight delivery via commercial one-day overnight courier service.

10.5***Expenses***. Each of the Company and the Investor shall bear its own expenses and legal fees incurred on its behalf with respect to this Agreement and the transactions contemplated hereby.

10.6***Finder's Fees***. Each of the Company and the Investor shall indemnify and hold the other harmless from any liability for any commission or compensation in the nature of a finder's fee, placement fee or underwriter's discount (including the costs, expenses and legal fees of defending against such liability) for which the Company or the Investor, or any of its respective partners, employees, or representatives, as the case may be, is responsible.

10.7***Counterparts***. This Agreement may be executed in counterparts, each of which shall be enforceable against the party actually executing the counterpart, and all of which together shall constitute one instrument.

10.8***Severability***. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision; provided that no such severability shall be effective if it materially changes the economic benefit of this Agreement to any party.

10.9***Entire Agreement***. This Agreement and the Collective Agreements, including the exhibits and schedules attached hereto and thereto, constitute the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof. No party shall be liable

or bound to any other party in any manner with regard to the subjects hereof or thereof by any warranties, representations or covenants except as specifically set forth herein or therein.

10.10***Waiver***. The failure of either party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other party. None of the terms, covenants and conditions of this Agreement can be waived except by the written consent of the party waiving compliance.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Common Stock Option and Purchase Agreement as of the date first set forth above.

CYTOKINETICS, INCORPORATED

By: /s/ Robert I. Blum
Name: Robert I. Blum
Title: President and CEO

ROYALTY PHARMA INVESTMENTS 2019 ICAV

By: RP Management, LLC, its Manager and lawfully appointed attorney

By: /s/ George Lloyd
Name: George Lloyd
Title: EVP & Chief Legal Officer

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
Pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended

I, Robert I. Blum, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cytokinetics, Incorporated;

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

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

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

Dated: August 9, 2024

By: /s/ Robert I. Blum
Robert I. Blum,
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
Pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended

I, Sung H. Lee, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cytokinetics, Incorporated;

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

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

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

Dated: August 9, 2024

By: /s/ Sung H. Lee
Sung H. Lee,
Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
Pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that the Quarterly Report of Cytokinetics, Incorporated on Form 10-Q for the quarterly period ended June 30, 2024 fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m) and the information contained in such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Cytokinetics, Incorporated.

Dated: August 9, 2024

/s/ Robert I. Blum

Robert I. Blum,

President and Chief Executive Officer
(Principal Executive Officer)

/s/ Sung H. Lee

Sung H. Lee,

Executive Vice President, Chief Financial Officer
(Principal Financial Officer)