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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 September 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.

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

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 November 5, 2024:

118,014,240

CYTOKINETICS, INCORPORATED
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FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 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, Corxel 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 Corxel 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
Corxel	Corxel Pharmaceuticals Limited (f/k/a JiXing Pharmaceuticals Limited) and/or its affiliates, including Corxel Pharmaceuticals Hong Kong Limited
Corxel Aficamten License Agreement	License and Collaboration Agreement, dated July 14, 2020, by and between Cytokinetics and Corxel Pharmaceuticals Limited
Corxel Agreements	Corxel Aficamten License Agreement and Corxel OM License Agreement
Corxel OM License Agreement	License and Collaboration Agreement, dated December 20, 2021, by and between Cytokinetics and Corxel 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.

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)

	September 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 46,888	$ 113,024
Short-term investments	964,804	501,800
Accounts receivable	244	1,283
Prepaid expenses and other current assets	6,665	11,944
Total current assets	1,018,601	628,051
Long-term investments	269,168	40,534
Property and equipment, net	64,222	68,748
Operating lease right-of-use assets	76,344	78,987
Other assets	7,725	7,996
Total assets	$ 1,436,060	$ 824,316
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 11,581	$ 21,507
Accrued liabilities	49,826	42,641
Short-term operating lease liabilities	18,856	17,891
Current portion of long-term debt	11,520	10,080
Derivative liabilities measured at fair value	12,500	—
Other current liabilities	5,529	10,559

Total current liabilities	109,812	102,678
Term loans, net	93,017	58,384
Convertible notes, net	551,481	548,989
Liabilities related to revenue participation right purchase agreements, net	448,509	379,975
Long-term operating lease liabilities	114,752	120,427
Liabilities related to RPI Transactions measured at fair value	132,400	—
Other non-current liabilities	—	186
Total liabilities	1,449,971	1,210,639
Commitments and contingencies		
Stockholders' deficit		
Preferred stock	—	—
Common stock	118	102
Additional paid-in capital	2,532,328	1,725,823
Accumulated other comprehensive income (loss)	5,387	(10)
Accumulated deficit	(2,551,744)	(2,112,238)
Total stockholders' deficit	(13,911)	(386,323)
Total liabilities and stockholders' deficit	$ 1,436,060	$ 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		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Revenues:				
Research and development revenues	$ 463	$ 378	$ 1,547	$ 3,358
Milestone revenues	—	—	—	2,500
Total revenues	463	378	1,547	5,858
Operating expenses:				
Research and development	84,612	82,532	245,779	245,147
General and administrative	56,652	40,111	152,976	129,498
Total operating expenses	141,264	122,643	398,755	374,645
Operating loss	(140,801)	(122,265)	(397,208)	(368,787)
Interest expense	(8,928)	(7,136)	(28,763)	(21,142)
Non-cash interest expense on liabilities related to revenue participation right purchase agreements	(13,370)	(6,860)	(35,155)	(19,462)
Interest and other income, net	17,054	6,839	36,520	20,043
Change in fair value of derivative liabilities	700	—	100	—
Change in fair value of liabilities related to RPI Transactions	(15,200)	—	(15,000)	—
Net loss	(160,545)	(129,422)	(439,506)	(389,348)
	$	$	$	$
Net loss per share — basic and diluted	(1.36)	(1.35)	(4.00)	(4.07)
	$	$	$	$
Weighted-average number of shares used in computing net loss per share — basic and diluted	117,685	96,071	109,932	95,666
Other comprehensive (loss) gain:				

Unrealized gain on available-for-sale securities, net	6,535	584	5,480	2,716
Foreign currency translation adjustments	(126)	—	(83)	—
Comprehensive loss	($ 154,136)	($ 128,838)	($ 434,109)	($ 386,632)

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

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

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' (Deficit) Equity
	Shares	Amount				
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
Exercise of stock options	362,431	1	6,318		—	6,319
Vesting of restricted stock units	1,154	—	—	—	—	—
Stock-based compensation	—	—	25,356	—	—	25,356
Other comprehensive income	—	—	—	6,409	—	6,409
Net loss	—	—	—	—	(160,545)	(160,545)
Balance, September 30, 2024	117,888,619	$ 118	$ 2,532,328	$ 5,387	$ (2,551,744)	$ (13,911)

	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)
Exercise of stock options	273,149	—	3,124	—	—	3,124
Vesting of restricted stock units	2,454	—	—	—	—	—
Issuance of common stock under at-the-market offering, net of issuance costs	38,431	—	1,312	—	—	1,312
Stock-based compensation	—	—	18,716	—	—	18,716
Other comprehensive income	—	—	—	584	—	584
Net loss	—	—	—	—	(129,422)	(129,422)
Balance, September 30, 2023	96,251,844	$ 94	$ 1,537,321	$ (874)	$ (1,975,342)	$ (438,801)

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

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

	Nine Months Ended	
	September 30, 2024	September 30, 2023
Cash flows from operating activities:		
Net loss	$ ()	$ ()
	439,506	389,348
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	35,233	19,548
Stock-based compensation expense	71,590	52,578
Non-cash lease expense	3,152	2,808
Depreciation of property and equipment	7,148	5,557
Change in fair value of derivative liabilities	()	
	100	—
Change in fair value of liabilities related to RPI Transactions	15,000	—
Realized gain on investment, net	—	35
Interest receivable and amortization on investments	()	()
	24,814	10,634
Non-cash interest expense related to debt	8,027	20,950
Changes in operating assets and liabilities:		
Accounts receivable		()
	1,039	2,352
Prepaid and other assets		()
	6,006	6,937
Accounts payable	()	()
	10,388	11,194
Accrued and other liabilities		()
	4,105	15,026
Operating lease liabilities	()	()
	5,219	272
Other non-current liabilities	()	()
	1,593	6,009
Net cash used in operating activities	()	()
	330,320	340,296
Cash flows from investing activities:		

Purchases of investments	()	()
	1,172,291	409,096
Maturities of investments		
	510,947	726,122
Sales of investments		
	—	4,977
Purchases of property and equipment	()	()
	2,616	1,339
Net cash (used in) provided by investing activities	()	
	663,960	320,664
Cash flows from financing activities:		
Repayment of finance lease liabilities	()	()
	696	636
Repayment of term loans	()	
	6,008	—
Proceeds from RPI Transactions		
	200,000	50,000
Proceeds from issuance of common stock related to at-the-market offering, net of issuance costs		
	93,640	1,312
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		
	46,536	12,358
Taxes paid related to net share settlement of equity awards	()	()
	18,449	10,517
Net cash provided by financing activities		
	928,227	52,517
Effect of exchange rate changes on cash	()	
	83	—
Net (decrease) increase in cash, cash equivalents, and restricted cash	()	
	66,136	32,885
Cash, cash equivalents, and restricted cash, beginning of period		
	113,399	67,182
Cash, cash equivalents, and restricted cash, end of period	$	$
	47,263	100,067
Supplemental cash flow disclosures:		
Cash paid for interest	$	$
	25,334	9,978
Non-cash investing and financing activities:		
Right-of-use assets recognized in exchange for operating lease obligations	$	$
	509	—

Amounts unpaid for purchases of property and equipment	$ 462	$ —

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 $

2.6
billion since inception and there can be no assurance that we will attain profitability. We had a net loss of $

439.5
million and net cash used in operating activities of $

330.3
million for the nine months ended September 30, 2024. Cash, cash equivalents, and investments increased to $

1.3
billion as of September 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 interim condensed 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):

	September 30, 2024	September 30, 2023
Options to purchase common stock	10,566	12,163
Warrants to purchase common stock	—	13
Restricted stock and performance units	1,998	1,401
Shares issuable related to the ESPP	45	64
Shares issuable upon conversion of 2026 Notes	2,003	2,003
Shares issuable upon conversion of 2027 Notes	10,572	10,572
Total shares	25,184	26,216

Note 3 — Research and Development Arrangements

Corxel Omecamtiv Mecarbil License and Collaboration Agreement

On December 20, 2021, we entered into the Corxel OM License Agreement, pursuant to which we granted to Corxel (f/k/a Ji Xing) an exclusive license to develop and commercialize omecamtiv mecarbil in China and Taiwan. Under the terms of the Corxel OM License Agreement, we received a $

50.0
million nonrefundable payment from Corxel comprised of a $

40.0
million payment as consideration for the rights granted by us to Corxel and $

10.0
million attributable to our having submitted to FDA an NDA for omecamtiv mecarbil. We may be eligible to receive from Corxel 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, Corxel 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 Corxel 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 Corxel 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 .

Corxel Aficamten License and Collaboration Agreement

On July 14, 2020, we entered into the Corxel Aficamten License Agreement, pursuant to which we granted to Corxel (f/k/a Ji Xing) an exclusive license to develop and commercialize aficamten in China and Taiwan. Under the terms of the Corxel Aficamten License Agreement, we received from Corxel a nonrefundable upfront payment of $

25.0
million. Under the terms of the Corxel Aficamten License Agreement, we may be eligible to receive from Corxel 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. To date, neither Corxel nor we are engaged in the development of aficamten in any indications other than oHCM and nHCM. The total maximum future development and commercial milestone payments achievable for development and commercial milestone events in the field of oHCM and nHCM are $

160.0
million, of which we have already earned and received $

10.0
million. Corxel 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 Corxel Aficamten License Agreement, unless terminated earlier, will continue on a market-by-market basis until expiration of the relevant royalty term.

Accounting for the Corxel License and Collaboration Agreements

We assessed the arrangements of the Corxel OM License Agreement and the Corxel 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 Corxel OM License Agreement and $

36.5
million in 2020 for the Corxel 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 Corxel during the first quarter of 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 Corxel was $

0.5
million and $

0.4
million for the three months ended September 30, 2024 and 2023, respectively, and $

1.5
million and $

0.6
million for the nine months ended September 30, 2024 and 2023, respectively, related to certain development cost reimbursements.

We had accounts receivable from Corxel of $

0.2
million and $

0.3
million as of September 30, 2024 and December 31, 2023, respectively.

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. 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.

We had

no

research and development revenue from Astellas for the three and nine months ended September 30, 2024. Research and development revenue from Astellas was $

2.7
million for the nine months ended September 30, 2023.

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):

		September 30, 2024			
	Fair Value Hierarchy Level	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money market funds	Level 1	$ 37,255	$ —	$ —	$ 37,255
U.S. Treasury securities	Level 1	376,587	2,300	(2)	378,885
U.S. Government agency securities	Level 2	165,174	773	(6)	165,941
Commercial paper	Level 2	383,810	969	(31)	384,748
Corporate obligations	Level 2	305,909	1,514	(26)	307,397
		$ 1,268,735	$ 5,556	$ (65)	$ 1,274,226

		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 nine months ended September 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 September 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):

	September 30, 2024	December 31, 2023
Cash and cash equivalents	$ 46,888	$ 113,024
Restricted cash	375	375
Total cash, cash equivalents, and restricted cash as reported within our consolidated statement of cash flows	$ 47,263	$ 113,399

As of September 30, 2024, our restricted cash balance of $

0.4
million is used to collateralize letters of credit.

Accrued liabilities were as follows (in thousands):

	September 30, 2024	December 31, 2023
Accrued liabilities:		
Clinical and preclinical costs	$ 11,257	$ 5,880
Compensation related	27,884	29,255
Other accrued expenses	10,685	7,506
Total accrued liabilities	$ 49,826	$ 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 changes in fair value of liabilities related to RPI Transactions in the condensed consolidated statement 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 September 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

11

% to

17

% as of September 30, 2024), 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. Similarly, assumed decreases in the discount rates used in the fair value measurements could also increase the value of the liabilities at period end.

For the three and nine months ended September 30, 2024, the Company recorded a loss of $

15.2

million and $

15.0

million, respectively, 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 (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
Change in fair value	1,100	14,100
Ending balance, September 30	$ 13,800	$ 118,600

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

24.4
% as of September 30, 2024 and

18.0
% as of September 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 September 30, 2024 and

2.9

% as of September 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

Additional consideration	—	50,000	—	—
Interest accretion	13,328	5,415	42	1,445
Amortization of issuance costs	—	—	27	26
Ending balance, September 30	$ 248,983	$ 170,798	$ 199,526	$ 199,251

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, and cannot satisfy in the future, 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	$ 2,880	$ —
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	86,400	95,000
Less: Unamortized interest and loan costs	(25,285)	(51,578)
Term Loan, net	$ 61,115	$ 43,422

The weighted-average effective rate of interest on the Tranche 1 and Tranche 6 term loans was approximately

11.7
% as of September 30, 2024.

As of September 30, 2024, the estimated fair value of the Tranche 1 and Tranche 6 term loans was $

55.6
million and $

48.7
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 from

11
% to

13
% as of September 30, 2024) and other factors.

For the three and nine months ended September 30, 2024, the Company recorded a gain of $

0.7

million and $

0.1

million, respectively, 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 (in thousands):

	2024 RP Multi Tranche Loan Agreement Derivatives
Beginning balance, May 22	$ 12,600
Change in fair value	600
Ending balance, June 30	13,200
Change in fair value	(700)
Ending balance, September 30	$ 12,500

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 September 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 October 1, 2024 . Consequently the 2027 Notes are not redeemable at the option of the holders f or the third 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		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Contractual interest expense	$ 211	$ 211	$ 633	$ 633
Amortization of debt issuance costs	29	29	84	79
Total interest expense recognized	$ 240	$ 240	$ 717	$ 712

The effective interest rate of the 2026 Notes was

4.6

% as of September 30, 2024 and 2023. As of September 30, 2024, the unamortized debt issuance cost for the 2026 Notes was $

0.3

million and will be amortized over approximately 2.2 years. The 2026 Notes are convertible at September 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		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Contractual interest expense	$ 4,725	$ 4,726	$ 14,175	$ 14,175
Amortization of debt issuance costs	851	817	2,406	2,248
Total interest expense recognized	$ 5,576	$ 5,543	$ 16,581	$ 16,423

The effective interest rate of the 2027 Notes was

4.2

% as of September 30, 2024 and 2023. As of September 30, 2024, the unamortized debt issuance cost for the 2027 Notes was $

9.4

million and will be amortized over approximately 2.8 years. During the nine months ended September 30, 2024, the conditions allowing holders of the 2027 Notes to convert were not met. As a result, the 2027 Notes are not convertible as of September 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	$ —	$ 423	$ 423
2025	18,900	845	19,745
2026	18,900	21,978	40,878
2027	558,900	—	558,900

Future minimum payments	596,700	23,246	619,946
Less: Interest	(56,700)	(2,113)	(58,813)
Convertible notes, principal amount	540,000	21,133	561,133
Less: Unamortized debt issuance costs on the convertible notes	(9,392)	(260)	(9,652)
Net carrying amount of the convertible notes	$ 530,608	$ 20,873	$ 551,481

As of September 30, 2024, the estimated fair value of the 2027 Notes and 2026 Notes was $

699.0
million and $

106.8
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 September 30, 2024, the total authorized shares under the 2004 Plan available for grant was

5.0

million.

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

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Research and development	$ 11,417	$ 8,240	$ 31,520	$ 22,888
General and administrative	13,939	10,476	40,070	29,690
	$ 25,356	$ 18,716	$ 71,590	$ 52,578

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 September 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 nine months ended September 30, 2024.

Performance Stock Units

During the first, second, and third quarter of 2024, the Compensation Committee granted a total of

359,992
,

80,573
, and

14,603
performance stock units ("PSUs"), respectively, to certain employees with a grant date fair value ranging from $

48.51
to $

63.75
per unit. 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 nine months ended September 30, 2024, the Company recognized expense of $

2.5
million and $

5.1
million, respectively, for the PSUs. As of September 30, 2024, there was $

8.8
million of unamortized stock-based compensation related to the portion of PSUs vesting that is deemed probable. 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, 2023, and 2024. 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.

These 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.

Our research and development activities related to muscle contractility include 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 September 30, 2024 and 2023 were $84.6 million and $82.5 million, respectively, and $245.8 million and $245.1 million for the nine months ended September 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 the treatment of oHCM.

Following the positive results of SEQUOIA-HCM (detailed discussion of the results below), our Phase 3 pivotal clinical trial of aficamten in patients with symptomatic oHCM, we recently submitted an NDA for aficamten for the treatment of oHCM and are awaiting acceptance of our filing by the FDA. In addition to the inherent uncertainty of obtaining regulatory approval of a pharmaceutical product, the commercial success of aficamten will be highly dependent on aficamten's differentiation from the first-in-class cardiac sarcomere inhibitor, Camzyos®, which is being commercialized by Bristol-Myer Squibb for the treatment of oHCM. Camzyos® was approved by FDA with a comprehensive and mandatory risk evaluation and mitigation strategy (REMS), including all or many of the elements to assure safe use (ETASU) that are contemplated in Section 505-1(f)(3) of the U.S. Food, Drug & Cosmetics Act. Our proposed NDA as submitted to FDA contained a distinct risk mitigation approach specific to aficamten. We believe that the commercial prospects of aficamten will be highly dependent on whether FDA approves aficamten with a label and/or post-marketing conditions that are less onerous to prescribers and patients than the ETASU REMS applicable to Camzyos®.

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.

On September 1, 2024, we announced that additional data from SEQUOIA-HCM were presented at the European Society of Cardiology Congress 2024, including (i) data from the cardiac magnetic resonance (CMR) sub-study in SEQUOIA-HCM, (ii) data from an analysis of the impact of treatment with aficamten on echocardiographic cardiac structure and function from SEQUOIA-HCM., (iii) the results from a pre-specified secondary analysis from SEQUOIA-HCM related to NT-proBNP and high sensitivity cardiac troponin (hs-cTnI), cardiac biomarkers indicative of cardiac wall stress and myocardial injury, and (iv) a presentation of the results from an analysis of the effect of treatment with aficamten on patient symptom burden, including the Kansas City Cardiomyopathy Questionnaire Overall Summary Score (KCCQ-OSS) and the Seattle Angina Questionnaire Summary Score (SAQ-SS) from SEQUOIA-HCM.

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.

Patient enrollment in MAPLE-HCM has been completed.

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.

ACACIA-HCM continues to enroll 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 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.

On September 1, 2024, we announced that data from an integrated safety analysis of aficamten across the REDWOOD-HCM, SEQUOIA-HCM and FOREST-HCM trials and an additional analysis related to the withdrawal of standard of care (SoC) medications in patients with obstructive HCM in FOREST-HCM were presented at the European Society of Cardiology Congress 2024.

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.

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.

CEDAR-HCM continues to enroll patients

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.

Corxel/Ji Xing Collaboration for Greater China

On July 14, 2020, we entered into the Corxel Aficamten License Agreement, pursuant to which we granted to Corxel (f/k/a Ji Xing) an exclusive license to develop and commercialize aficamten in China and Taiwan. Under the terms of the Corxel Aficamten License Agreement, we may be eligible to receive from Corxel milestone payments totaling up to an additional $150 million for the achievement of certain development and commercial milestone events in connection to aficamten in the field of oHCM, and/or nHCM. In addition, Corxel 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 Corxel Aficamten License Agreement, unless terminated earlier, will continue on a market-by-market basis until expiration of the relevant royalty term.

Corxel has recently 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 aficamten for the treatment of oHCM.

Royalty Pharma Revenue Interest

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.

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.

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.

Based on the results of GALACTIC-HF, we submitted an NDA with the FDA and an MAA with the EMA. 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. 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.

COMET-HF Informed by Results from Patient Subgroup in GALACTIC-HF

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.

Based on these promising subgroup analyses from GALACTIC-HF and the high unmet need in patients with heart failure with severely reduced ejection fraction, we decided to continue the development program for omecamtiv mecarbil and to conduct a confirmatory study in a patient population similar to the approximately 4,000 prespecified subgroup of patients with an LVEF ≤28% in GALACTIC-HF. Accordingly, on October 16, 2024, we announced the design of COMET-HF (Confirmation of Omecamtiv Mecarbil EfficacyTrial in Heart Failure), a Phase 3 multi-center, double-blind, randomized, placebo-controlled trial to assess the efficacy and safety of omecamtiv mecarbil in patients with symptomatic HFrEF) with severely reduced ejection fraction. The primary endpoint of COMET-HF is the time to first event in the primary composite endpoint of cardiovascular death, first heart failure event, left ventricular assist device (LVAD) implantation or cardiac transplantation, or stroke. COMET-HF is expected to enroll approximately 1,800 patients randomized on a 1:1 basis to receive omecamtiv mecarbil or placebo for up to 48 weeks. Patients randomized to omecamtiv mecarbil will undergo dose titration up to a maximum dose of 50 mg twice daily based on the plasma concentration of omecamtiv mecarbil during a run-in period after initiation of treatment. Patients will continue to receive omecamtiv mecarbil or placebo twice daily until approximately 850 primary composite endpoint events have occurred. Patient enrollment in COMET-HF is expected to commence in the fourth quarter of 2024.

Corxel/Ji Xing Collaboration for Greater China

On December 20, 2021, we entered into the Corxel OM License Agreement, pursuant to which we granted to Corxel (f/k/a Ji Xing) an exclusive license to develop and commercialize omecamtiv mecarbil in China and Taiwan. Under the terms of the Corxel OM License Agreement, we may be eligible to receive from Corxel 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, Corxel 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 Corxel 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, Corxel 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, Corxel 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. Approximately half of the estimated 6.7 million patients in the United States with heart failure have HFpEF, and the prevalence of HFpEF is increasing. A subset of HFpEF patients with hypercontractility, ventricular hypertrophy, elevated biomarkers and symptoms of heart failure may benefit from treatment with a cardiac sarcomere inhibitor. Approximately 75% of patients with HFpEF will die within five years of initial hospitalization, and 84% will be rehospitalized. Despite broad use of standard treatments and advances in care, the prognosis for patients with heart failure is poor.

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. CK-586 selectively inhibits the ATPase of intact cardiac myosin but does not inhibit the ATPase of subfragment-1 of myosin (S1) as does aficamten, a cardiac myosin inhibitor also developed by the Company. Unlike aficamten, the inhibitory effect of CK-586 requires the presence of the regulatory light chain (RLC) of myosin in the context of the intact myosin dimer (heavy meromyosin or HMM). 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. In engineered human HCM heart tissues, CK-586 demonstrated a shallow force-concentration response and improved lusitropy. Lending support for investigating this mechanism of action in HFpEF, a subset of patients with HFpEF resemble patients with non-obstructive hypertrophic cardiomyopathy (HCM) in that those patients have higher ejection fractions, thickened walls of their heart, elevated biomarkers, and symptoms of heart failure. Data from a Phase 2 clinical trial of aficamten in patients with non-obstructive HCM show that aficamten was well tolerated, improved patient reported outcomes (Kansas City Cardiomyopathy Questionnaire (KCCQ) and New York Heart Association (NYHA) Functional Class) and biomarkers, measures that are also relevant to HFpEF.

Phase 1 Trial Results

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 primary objective of this Phase 1 double-blind randomized, placebo-controlled, single and multiple ascending dose clinical study was to evaluate the safety, tolerability and PK of CK-586 when administered orally 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 cohorts (100 and 200 mg once daily) comprised of 10 participants each. This study data demonstrated that CK-586 was safe and well tolerated in healthy participants. No serious adverse events were observed and the stopping criteria for the study were not met. The half-life of CK-586 was observed to be in the range of 14 to 17 hours. CK-586 demonstrated dose-linearity without a change in half-life over a wide range of exposures, with a steady-state appearing evident within seven days of dosing. Left ventricular ejection fraction (LVEF) and left ventricular fractional shortening (LVFS) decreased from baseline in an exposure-dependent manner, and the pharmacokinetic/pharmacodynamic (PK/PD) relationship appeared shallow and predictable (Figure 1). At the highest single dose of 600 mg, the mean decrease in LVEF was <5%. These results demonstrate pharmacologic properties that may enable once-daily fixed-dose administration in the future.

AMBER-HFpEF

On October 16, 2024, we announced the design of AMBER-HFpEF (Assessment of CK-586 in a Multi-Center, Blinded Evaluation of Safety and Tolerability Results in HFpEF), a Phase 2 randomized, placebo-controlled, double-blind, multi-center, dose-finding clinical trial in patients with symptomatic HFpEF with left ventricular ejection fraction (LVEF) ≥ 60%. The primary objective is to evaluate the safety and tolerability profile of CK-586 compared to placebo. The secondary objectives include assessing the effect of CK-586 on LVEF and NT-proBNP, its pharmacokinetics, and its pharmacokinetic/pharmacodynamic relationship. Cytokinetics expects to commence patient enrollment in AMBER-HFpEF in the fourth quarter of 2024.

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.

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.

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 nine months ended September 30, 2024, except for the following:

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. As of September 30, 2024, the discount rates that we used in the measurement of the 2024 RP OM Loan Agreement and the RP CK-586 RPA decreased compared to June 30, 2024, which resulted in an increase in the estimated fair value of the liabilities and the recognition of a loss on the change in the fair value of liabilities related to RPI transactions in our condensed consolidated statement of operations of approximately $15.0 million for the three months ended September 30, 2024. 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. The earliest we might reasonably expect to commence commercial sales and obtain revenues is in 2025 following the submission of our U.S. NDA to FDA in September 2024.

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

	Three Months Ended			Nine Months Ended		
	September 30, 2024	September 30, 2023	Increase	September 30, 2024	September 30, 2023	Decrease
Research and development revenues	$ 463	$ 378	$ 85	$ 1,547	$ 3,358	$ (1,811)
Milestone revenues	—	—	—	—	2,500	(2,500)
Total revenues	$ 463	$ 378	$ 85	$ 1,547	$ 5,858	$ (4,311)

Research and development revenues for the three and nine months ended September 30, 2024 were from Corxel under the Corxel Aficamten License Agreement, and for the nine months ended September 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 nine months ended September 30, 2023, consisted of a milestone recognized from Corxel 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, which we finance from our own cash-on-hand, financing arrangements with third parties, and reimbursement from our collaboration partners

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 nine months ended September 30, 2024 and 2023, were as follows (in thousands):

	Three Months Ended			Nine Months Ended		
	September 30, 2024	September 30, 2023	Increase	September 30, 2024	September 30, 2023	Increase
Total research and development expenses	$ 84,612	$ 82,532	$ 2,080	$ 245,779	$ 245,147	$ 632

Research and development expenses for the three months ended September 30, 2024 increased by $2.1 million compared to the three months ended September 30, 2023 primarily driven by higher personnel related expenses to progress our pipeline partially offset by the completion of clinical trials in 2023. Research and development expenses for the nine months ended September 30, 2024 increased by $0.6 million compared to the nine months ended September 30, 2023 primarily due to to the timing of clinical trial activities partially offset by higher personnel related expenses.

We continue to develop aficamten to treat both oHCM and nHCM in three additional clinical trials, as follows: (i) MAPLE-HCM is our Phase 3 clinical trial of aficamten as a monotherapy for patients with oHCM, (ii) ACACIA-HCM is a Phase 3 clinical trial for patients with symptomatic nHCM, and (iii) CEDAR-HCM, our placebo-controlled and open-label extension clinical trial to evaluate the efficacy, pharmacokinetics (PK) and safety of aficamten in a pediatric population with symptomatic oHCM. 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.

We recently announced the design of COMET-HF, a Phase 3 clinical of omecamtiv mecarbil in patients with symptomatic HFrEF with severely reduced ejection fraction, in which patient enrollment is expected to commence in the fourth quarter of 2024. Expenses related to the conduct of COMET-HF have been financed in part by proceeds from the RP OM Loan Agreement, pursuant to which we received $100 million in long-term debt financing.

We also recently announced the design of AMBER-HFpEF, a Phase 2 clinical trial of CK-586 in patients with symptomatic HFpEF, in which patient enrollment is expected to commence in the fourth quarter of 2024. Expenses related to the conduct of AMBER-HFpEF have been financed in part by $50 million in sale proceeds from the RP CK-586 RPA. If the results of AMBER-HFpEF are supportive of continuing the development of CK-586 and commencing a Phase 3 clinical trial, we expect to finance 50% of the continued development of CK-586 up to $150 million, subject to Royalty Pharma's opt-in to acquire an additional 3.5% revenue interest in our or our licensee's future worldwide net sales of CK-586.

We expect that research and development expenses will increase in 2025 relative to 2024 due to ongoing clinical trials of aficamten, COMET in HFrEF, AMBER HFpEF, manufacturing of drug product and raw materials for aficamten to enable a potential commercial launch and employee related costs.

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 nine months ended September 30, 2024 and 2023, were as follows (in thousands):

	Three Months Ended			Nine Months Ended		
	September 30, 2024	September 30, 2023	Increase	September 30, 2024	September 30, 2023	Increase
Total general and administrative expenses	$ 56,652	$ 40,111	$ 16,541	$ 152,976	$ 129,498	$ 23,478

General and administrative expenses for the three and nine months ended September 30, 2024 increased by $16.5 million and $23.5 million from the three and nine months ended September 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 2025. We have submitted an NDA to FDA for aficamten for the treatment of oHCM. Accordingly, we will be incurring additional expenses for commercial readiness activities, including, but not limited to, the hiring and training of a field sales force, the implementation of compliance systems, and sales and marketing expenses. In addition, we expect to submit an MAA to EMA for aficamten for the treatment of oHCM in the fourth quarter of 2024, and therefore, we will be incurring similar expenses for commercial readiness activities in Europe but with additional expenses for the establishment of a corporate infrastructure to enable commercialization activities in key European markets

Interest Expense

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

	Three Months Ended			Nine Months Ended		
	September 30, 2024	September 30, 2023	Increase	September 30, 2024	September 30, 2023	Increase
Term loans	$ 3,065	$ 1,296	$ 1,769	$ 6,574	$ 3,815	$ 2,759
2026 Notes	240	240	—	717	712	5
2027 Notes	5,576	5,543	33	16,581	16,423	158
Other	47	57	(10)	4,891	192	4,699
Total interest expense	$ 8,928	$ 7,136	$ 1,792	$ 28,763	$ 21,142	$ 7,621

The components of interest expense are consistent period over period with no significant fluctuations for the three and nine months ended September 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 nine months ended September 30, 2024 also includes approximately $4.8 million of financing fees related to the 2024 RPI Transactions.

We expect our interest expenses in 2025 to increase under the RP Multi Tranche Loan Agreement as we draw upon additional loans available to us thereunder.

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 pursuant to RP Aficamten RPA 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 24.4% as of September 30, 2024 and 18.0% as of September 30, 2023.

The carrying amount of the RP OM Liability is based on our estimate of the future royalties to be paid pursuant to RP OM RPA 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 September 30, 2024 and 2.9% as of September 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 nine months ended September 30, 2024 and 2023 were as follows (in thousands):

	Three Months Ended			Nine Months Ended		
	September 30, 2024	September 30, 2023	Increase	September 30, 2024	September 30, 2023	Increase
RP OM Liability	$ 42	$ 1,445	$ (1,403)	$ 63	$ 3,781	$ (3,718)
RP Aficamten Liability	13,328	5,415	7,913	35,092	15,681	19,411
Total non-cash interest expense recognized	$ 13,370	$ 6,860	$ 6,510	$ 35,155	$ 19,462	$ 15,693

Interest and Other Income, net

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

Change in fair value liabilities related to RPI transactions and derivative reflected on the Condensed Consolidated Statement of Operations.

The change in fair value liabilities related to the RPI transactions (RP OM Loan Agreement and CK-586 RPA) and the derivative liabilities for the RP Multi Tranche Loan Agreement for the three and nine months ended September 30, 2024 were as follows (in thousands):

	September 30, 2024	
	Three Months Ended	Nine Months Ended
CK-586 RPA	(1,100)	(1,100)
RP OM Loan	(14,100)	(13,900)
RP Multi Tranche Loan Agreement Derivatives	700	100
Total change in fair value liabilities	$ (14,500)	$ (14,900)

The fair values of the liabilities related to RPI transactions (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 11% to 17% as of September 30, 2024), 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. Similarly, assumed decreases in the discount rates used in the fair value measurements could also increase the value of the liabilities at period end.

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 from 11% to 13% as of September 30, 2024) and other factors.

The total change in the estimated fair value liabilities for the three and nine months ended September 30, 2024, was primarily due to a decrease in the discount rates used in the measurement of the 2024 RP OM Loan Agreement and the RP CK-586 RPA as of September 30, 2024, compared to June 30, 2024. This decrease resulted in an increase in the estimated fair value of the liabilities and the recognition of a loss on the change in fair value of liabilities related to RPI transactions of approximately $15 million for the three months ended September 30, 2024.

Changes in the fair value of the liabilities related to the RPI Transactions do not result in a change in our cash expenditures.

Liquidity and Capital Resources

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

	September 30, 2024	December 31, 2023
Financial assets:		
Cash and cash equivalents	$ 46,888	$ 113,024
Short-term investments	964,804	501,800
Long-term investments	269,168	40,534
Total cash, cash equivalents, and marketable securities	$ 1,280,860	$ 655,358
Borrowings:		
Term loans, net	$ 104,537	$ 68,464
RP OM Loan	118,600	—
2026 Notes, net	20,873	20,788
2027 Notes, net	530,608	528,201
Total borrowings	$ 774,618	$ 617,453
Working capital:		
Current assets	$ 1,018,601	$ 628,051
Current liabilities	109,812	102,678
Working capital	$ 908,789	$ 525,373

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

	Nine Months Ended	
	September 30, 2024	September 30, 2023
Net cash used in operating activities	$ (330,320)	$ (340,296)
Net cash (used in) provided by investing activities	(663,960)	320,664
Net cash provided by financing activities	928,227	52,517
Net (decrease) increase in cash, cash equivalents, and restricted cash	$ (66,053)	$ 32,885

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, royalty monetization agreement, and revenue interest agreements, 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 $330.3 million and $340.3 million in the nine months ended September 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 nine months ended September 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 $664.0 million and in the nine months ended September 30, 2024, was primarily due to purchases of investments offset by maturities of investments.

Net cash provided by investing activities of $320.7 million in the nine months ended September 30, 2023 was due to sales and maturities of investments offset by purchases of investments.

Cash Flows Provided by (Used in) Financing Activities

Net cash provided by financing activities of $928.2 million in the nine months ended September 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 provided by financing activities of $52.5 million in the nine months ended September 30, 2023 was primarily due to $50.0 million of additional consideration associated with the 2022 RP Aficamten Royalty Purchase Agreement which was paid to us in September 2023 and stock-based activities.

2024 Royalty Pharma Transactions

In May 2024, we entered into a series of financing agreements with affiliates of Royalty Pharma, including the RP OM Loan Agreement, the RP CK-586 RPA, the 2022 RP Multi Tranche Loan Agreement Amendment, the RP Aficamten RPA Amendment, and the RP Stock Purchase Agreement for a private placement of common stock concurrent with our underwritten public offering of common stock.

The RP OM Loan Agreement provides for a loan in a principal amount of $100.0 million that was drawn at the closing with no remaining amounts available for disbursement. The loan under the RP OM Loan Agreement matures on the 10 year anniversary of the funding date and is repayable in quarterly installments, the amounts of which will depend on the occurrence of certain events related to the results and timing of COMET-HF and potential regulatory approvals of omecamtiv mecarbil, 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 on this loan is included in the scheduled payment amount for each scenario.

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. We will not know for certain whether the additional up to $150 million funding will be available to us until the conclusion of AMBER-HFpEF and the results of the trial are known.

2022 Royalty Pharma Transactions

In January 2022, we entered into a series of financing agreements with affiliates of Royalty Pharma, including the RP Multi Tranche Loan Agreement, and the RP Aficamten RPA.

Under the RP Multi Tranche Loan Agreement, we have drawn $100 million and an additional $350 million remains available to us for disbursement as long-term debt, subject to satisfaction of certain conditions. Of these available loans, we have satisfied the conditions to draw on the tranche 4 loan in the amount of $75 million upon receipt of positive results from SEQUOIA-HCM. We are obliged to draw at least $50 million of this $75 million tranche 4 facility by April 3, 2025. We expect to satisfy the conditions for tranche 5 in the fourth quarter of 2024 upon acceptance by FDAof our NDA for aficamten, which would make an additional $100 million in long-term debt available to us. The remaining $175 million tranche 7 loan is subject to conditions related to the approval of our NDA for aficamten in patients with oHCM on or prior to December 31, 2025. We expect to draw all available loans under the RP Multi Tranche Loan Agreement unless we are able to meet our financing requirements through more favorable funding sources. If, for any reason, we are unable to satisfy the conditions for disbursement of the remaining $350 million in available loans under the RP Multi Tranche Loan Agreement, we would need to seek alternative debt or equity financing.

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 (such amount with respect to each term loan, "Final Payment Amount"). We have made our first payment in the fourth quarter of 2023.

RP Aficamten Royalty Purchase Agreement

Under the RP Aficamten RPA, 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.

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. However, in May 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 24.4% and 18.0% as of September 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 September 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.

Corxel and RTW Transactions

Corxel Omecamtiv Mecarbil License and Collaboration Agreement

In December 2021, we entered into the Corxel OM License Agreement, pursuant to which we granted to Corxel an exclusive license to develop and commercialize omecamtiv mecarbil in China and Taiwan. Under the terms of the Corxel OM License Agreement, we may be eligible to receive from Corxel 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, Corxel 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 Corxel OM License Agreement, unless terminated earlier, will continue on a market-by-market basis until expiration of the relevant royalty term. In November 2022, Corxel 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. Any future receipt of commercial milestones or royalties is subject to Corxel re-submitting the NDA and the subsequent approval of omecmativ mecarbil in China.

Corxel Aficamten License and Collaboration Agreement

In July 2020, we entered into the Corxel Aficamten License Agreement, pursuant to which we granted to Corxel an exclusive license to develop and commercialize aficamten in China and Taiwan. Under the terms of the Corxel Aficamten License Agreement, we may be eligible to receive from Corxel future milestone payments totaling up to $150.0 million for the achievement of certain development and commercial milestone events in connection to aficamten in oHCM and/or nHCM. In addition, Corxel 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 Corxel Aficamten License Agreement, unless terminated earlier, will continue on a market-by-market basis until expiration of the relevant royalty term.

Controlled Equity Offering Sales Agreement with Cantor Fitzgerald & Co.

In March 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.

There was no Amended ATM Facility activity during the three months ended September 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 nine months ended September 30, 2024. We do not intend to sell any additional shares of common stock pursuant to the Amended ATM Facility.

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 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 $2.6 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 September 30, 2024, our cash and investments totaled $1,280.9 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 $7.6 million and $2.4 million as of September 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, the RP CK-586 RPA, and the derivatives of the RP Multi Tranche Loan Agreement 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, the RP CK-586 RPA, and the derivatives of the RP Multi Tranche Loan Agreement would result an increase in the fair value, and the recognition of a loss, of approximately $6.3 million as of September 30, 2024. During the three months ended September 30, 2024, we recognized a loss on the change in the estimated fair value of liabilities of approximately $15.0 million, primarily due to changes in the discount rates used to measure the 2024 RP OM Loan Agreement and the RP CK-586 RPA. The discount rates ranged from 11% to 17% as of September 30, 2024, compared to 14% to 18% as of June 30, 2023, resulting in an increase in the estimated fair value of the liabilities.

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 September 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 September 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, which has led to our decision to conduct COMET-HF and incur significant additional expenses. 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 MAPLE-HCM, ACACIA-HCM, COMET-HF and AMBER-HFpEF 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, ACACIA-HCM, COMET-HF, and AMBER-HFpEF, 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.

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 willingness of patients and HCPs to utilize cardiac myosin inhibitors, 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. Our ability to engage with US payors and secure coverage may improve with the acceptance of our FDA filing and determination of our review timeline (PDUFA date). 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 widely reimbursed via medical exception process 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 commercial payors. 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 adoption and payer coverage prospects. Furthermore, we assume the HCM and HFrEF markets will have a disproportionally larger share of Medicare patients relative to commercial and other payors. Overall Medicare coverage could be through medical exception and if covered delayed given Medicare's defined bid timelines for inclusion in the Medicare Part D formulary. Medicare formulary coverage is likely to be minimal, if at all, given the inflation Reduction Act (IRA) that was passed into law on August 16, 2022. The IRA contains several major changes to Medicare Part D, including benefit redesign where Medicare plans will take on significant costs when beneficiaries' spending is in the initial and catastrophic phases of the benefit. Plans may seek to reduce these costs through plan management including formulary redesign resulting in little to no coverage of select new specialty drugs like aficamten with patients relying on a more onerous medical exception process for the potential of coverage. 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 aficamten and 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. 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 (i.e., It is anticipated that Medicare coverage of aficamten will likely not be obtained due to the IRA impact of shifting cost to payers from CMS via Medicare plan design changes). 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 Corxel Agreements, we have committed to providing Corxel 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 Corxel 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 Corxel Agreements, giving rise to the ability to terminate such agreements and other adverse consequences as stipulated in the Corxel 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 ETASU 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, ongoing monitoring 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 and time consuming 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.
- HCP practice patterns and familiarity with earlier to market therapies.

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 and reimbursements, milestone and royalty payments that we may receive under our agreements with Corxel. We may not receive any further funds under any of these agreements, for example, if we fail to satisfy the conditions for future loan disbursement or as a result of the default or insolvency of our lenders. 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 September 30, 2024 and December 31, 2023, we had $774.6 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 affiliates of Royalty Pharma, 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 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.

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 by March 31, 2025. Tranche 7 of the RP Multi Tranche Loan Agreement would be available to us upon FDA approval of aficamten by December 31, 2025 and other conditions. Should we not satisfy such condition for tranches 5 and 7, 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.

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 Corxel for the development and commercialization of aficamten and omecamtiv mecarbil in China and Taiwan.

Under the terms of the Corxel Agreements, Corxel 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 Corxel Agreements will depend in part on the efforts and successful commercialization of aficamten and omecamtiv mecarbil by Corxel. We do not control the individual efforts of Corxel, and any failure by Corxel 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 Corxel to comply with all applicable laws relative to the development and commercialization of aficamten and omecamtiv mecarbil in China and Taiwan. If Corxel 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 Corxel 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, particularly in Europe, where we need to build the corporate and commercial infrastructure, including identification and recruitment of qualified personnel to enable commercial operations by the time of a potential EMA approval of one of our drug candidates. 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.

The following directors and officers adopted into or terminated a Rule 10b5-1 trading arrangement during the third quarter of 2024:

• John T. Henderson , Chairman of our Board of Directors – Dr. Henderson adopted a Rule 10b5-1 trading arrangement on September 11, 2024 that was intended to satisfy the affirmative defense provided for under Rule 10b5-1(c) (the “Henderson Plan”). The Henderson Plan provides for the exercise of stock options to acquire up to

31,872

shares of our common stock and the concurrent sale of all shares of common stock acquired upon such exercise at market prices, in each case, at pre-specified dates during the term of the plan. The Henderson Plan will terminate on the earlier of (x) May 20, 2025 and (y) the sale of all securities that are subject to the plan.

• Fady Malik , Executive Vice President, Research and Development – Dr. Malik adopted a Rule 10b5-1 trading arrangement on September 16, 2024 that was intended to satisfy the affirmative defense provided for under Rule 10b5-1(c) (the “Malik Plan”). The Malik Plan provides for the exercise of stock options to acquire up to

49,000

shares of our common stock and the concurrent sale of all shares of common stock acquired upon such exercise at market prices, in each case at pre-specified dates during the term of the plan. The Malik Plan will terminate on the earlier of (x) December 19, 2025 and (y) the sale of all securities that are subject to the plan.

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 Brett Pletcher					X
10.2	Sixth Amendment to Lease, dated July 30, 2024, by and between KR Oyster Point 1, LLC, and Cytokinetics, Incorporated					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: November 7, 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)

Exhibit 10.1

August 13, 2024

Brett Pletcher
442 Serenity Point Drive
Henderson, NV 89012

Dear Brett,

I am pleased to offer you a position with Cytokinetics, Inc. (the "Company"), as EVP, Chief Legal Officer, in the Legal Department. In this role, you will be a remote employee performing services at your usual residence at Henderson, Nevada and report directly to Robert Blum, Chief Executive Officer. We anticipate that you will generally work during regular business hours, Monday through Friday. However, given the nature of your role as a senior executive of the Company, you may from time to time need to work on weekends, holidays, and days intended to be paid time off. Although we do our best to avoid requesting work during these times, you should consider yourself “on call” on those days. 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 $560,000 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 $1,891,620 (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 $1,891,620 (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 $833,520 (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 $100,000 (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 August 19, 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 August 14, 2024.

Brett, 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/ Brett Pletcher
Brett Pletcher

Exhibit 10.2

SIXTH AMENDMENT TO LEASE

This SIXTH AMENDMENT TO LEASE ("**Sixth Amendment**") is made and entered into as of July 30, 2024 (the "**Effective Date**"), by and between KR OYSTER POINT I, LLC, a Delaware limited liability company ("**Landlord**"), and CYTOKINETICS INCORPORATED, a Delaware corporation ("**Tenant**").

R E C I T A L S :

A. Landlord and Tenant are parties to the Lease dated July 24, 2019 (the "**Original Lease**"), as amended by that certain First Amendment to Lease dated May 12, 2020 (the "**First Amendment**"), that certain Second Amendment to Lease dated January 26, 2021 (the "**Second Amendment**"), that certain Third Amendment to Lease dated November 12, 2021 (the "**Third Amendment**"), that certain Fourth Amendment to Lease dated October 12, 2022 (the "**Fourth Amendment**"), and that certain Fifth Amendment to Lease dated November 27, 2023 (the "**Fifth Amendment**", together with the Original Lease, First Amendment, Second Amendment, Third Amendment, and Fourth Amendment, the "**Lease**") whereby Tenant leases certain space (the "**Premises**") within Building 3 of that certain project commonly known as "**Kilroy Oyster Point**" and more particularly described in the Lease.

B. Landlord and Tenant desire to amend the Lease on the terms and conditions set forth in this Sixth Amendment.

A G R E E M E N T :

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Capitalized Terms**. All capitalized terms when used herein shall have the same meaning as is given such terms in the Lease unless expressly superseded by the terms of this Sixth Amendment.

2. **Construction of Phase 2a and Phase 2b; Construction Deadline Dates**. Notwithstanding anything to the contrary contained in Section 3 of the Fifth Amendment, Tenant agrees to use commercially reasonable efforts to cause substantial completion of construction of that portion of Phase 2 (a) consisting of the sixth (6th) floor of the Building on or before December 31, 2025 ("**Phase 2a**"), and (b) consisting of the seventh (7th) floor of the Building on or before December 31, 2026 ("**Phase 2b**"), each as evidenced by a certificate of substantial completion signed by the Architect (as that term is defined in the Work Letter). Tenant commenced repayment of amortized Partial Base Rent Abatement (as that term is defined in Section 2 of the Fourth Amendment) in the amount of Fifty-Six Thousand Six Hundred Thirty-Seven and 61/100 Dollars ($56,637.61) per month on November 1, 2023 and will continue to pay such amount each month for the remainder of the initial Lease Term in accordance with the terms of Section 2 of the Fourth Amendment, as amended by Section 3 of the Fifth Amendment and Section 2 of this Sixth

Amendment. Because of such Partial Base Rent Abatement payments previously made by Tenant, the total outstanding Partial Base Rent Abatement amount is Two Million Eight Hundred Forty-Two Thousand Two Hundred Ninety-Six and 26/100 Dollars ($2,842,296.26) as of the Effective Date. Notwithstanding anything to the contrary contained in Section 3 of the Fifth Amendment, in the event construction of Phase 2a is not complete (as evidenced per the first sentence of this Section 2) by December 31, 2025 (the "**Phase 2a Construction Deadline Date**"), then Landlord may elect, in its sole and absolute discretion, that a portion of the Partial Base Rent Abatement equal to One Million Five Hundred Ninety Thousand Nine Hundred Thirteen and 50/100 Dollars ($1,590,913.50) shall become immediately due and payable as Additional Rent. Notwithstanding anything to the contrary contained in Section 3 of the Fifth Amendment, in the event construction of Phase 2b is not complete (as evidenced per the first sentence of this Section 2) by December 31, 2026 (the "**Phase 2b Construction Deadline Date**"), then Landlord may elect, in its sole and absolute discretion, that an additional portion of the Partial Base Rent Abatement equal to One Million Two Hundred Fifty-One Thousand Three Hundred Eighty-Two and 76/100 Dollars ($1,251,382.76) shall become immediately due and payable as Additional Rent.

3. **No Broker**. Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Sixth Amendment and that they know of no real estate broker or agent who is entitled to a commission in connection with this Sixth Amendment. Each party agrees to indemnify and defend the other party against and hold the other party harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including, without limitation, reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent through, or under the indemnifying party. The terms of this Section 3 shall survive the expiration or earlier termination of the term of the Lease, as hereby amended.

4. **Signatures**. The parties hereto consent and agree that this Sixth Amendment may be signed and/or transmitted by facsimile, e-mail of a .pdf document or using electronic signature technology (e.g., via DocuSign or similar electronic signature technology), and that such signed electronic record shall be valid and as effective to bind the party so signing as a paper copy bearing such party's handwritten signature. The parties further consent and agree that (1) to the extent a party signs this Sixth Amendment using electronic signature technology, by clicking "SIGN", such party is signing this Sixth Amendment electronically, and (2) the electronic signatures appearing on this Sixth Amendment shall be treated, for purposes of validity, enforceability and admissibility, the same as handwritten signatures.

5. **No Further Modification**. Except as set forth in this Sixth Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect.

[Signatures follow on next page]

IN WITNESS WHEREOF, this Sixth Amendment has been executed as of the Effective Date.

"**LANDLORD**"

KILROY OYSTER POINT I, LLC,
a Delaware limited liability company

By: Kilroy Realty, L.P.,
a Delaware limited partnership
its Sole Member

By: Kilroy Realty Corporation,
a Maryland corporation
Its General Partner

By: /s/ John Osmond
Name: John Osmond
Title: EVP, Head of Asset Management

By: /s/ Eileen Kong
Name: Eileen Kong
Title: SVP, Asset Management

"**TENANT**"

CYTOKINETICS, INCORPORATED,
a Delaware corporation

By: /s/ Robert Blum
Name: Robert I. Blum
Title: President and CEO

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: November 7, 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: November 7, 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 September 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: November 7, 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)