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 March 31, 2022

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

For the transition period from _____ to

Commission File Number: 001-38583

Crinetics Pharmaceuticals, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**26-3744114**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
10222 Barnes Canyon Road, Bldg. #2, San Diego, California	**92121**
(Address of principal executive offices)	**(Zip code)**

Registrant's telephone number, including area code: **(858) 450-6464**

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.001 per share	CRNX	Nasdaq Global Select Market

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

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

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

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

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

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

As of May 9, 2022, the registrant had 53,505,809 shares of common stock ($0.001 per share par value) outstanding.

CRINETICS PHARMACEUTICALS, INC.

QUARTERLY REPORT ON FORM 10-Q
For the Quarter Ended March 31, 2022

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PART I — FINANCIAL INFORMATION

Item 1. Condensed Financial Statements

Crinetics Pharmaceuticals, Inc.

Condensed Consolidated Balance Sheets

(In thousands)

	March 31, 2022 (Unaudited)	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 145,548	$ 200,695
Investment securities	174,177	133,012
Prepaid expenses and other current assets	8,524	11,013
Total current assets	328,249	344,720
Property and equipment, net	2,672	2,825
Operating lease right-of-use asset	1,797	1,892
Derivative asset	68	68
Investment in Radionetics	—	1,010
Restricted cash	500	500
Total assets	$ 333,286	$ 351,015
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 12,134	$ 8,468
Accrued compensation and related expenses	4,452	6,588
Deferred revenue	2,706	—
Other current liabilities	965	939
Total current liabilities	20,257	15,995
Operating lease liability, non-current	2,822	3,074
Deferred revenue, non-current	7,163	—
Unvested stock liability	—	2
Total liabilities	30,242	19,071
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Preferred stock, $0.001 par; 10,000 shares authorized; no shares issued or outstanding at March 31, 2022 or at December 31, 2021	—	—
Common stock and paid-in capital, $0.001 par; 200,000 shares authorized; 47,801 shares issued and outstanding at March 31, 2022; 47,598 shares issued and 47,597 shares outstanding at December 31, 2021	615,118	607,581
Accumulated other comprehensive income	(2,192)	(382)
Accumulated deficit	(309,882)	(275,255)
Total stockholders' equity	303,044	331,944
Total liabilities and stockholders' equity	$ 333,286	$ 351,015

See the accompanying notes to these unaudited condensed consolidated financial statements.

Crinetics Pharmaceuticals, Inc.

Condensed Consolidated Statements of Operations and Comprehensive Loss

(In thousands, except per share data)
(Unaudited)

	Three months ended March 31,	
	2022	2021
License revenues	$ 3,131	$ —
Operating expenses:		
Research and development	28,252	17,584
General and administrative	8,706	5,334
Total operating expenses	36,958	22,918
Loss from operations	(33,827)	(22,918)
Other income (expense):		
Interest income	193	30
Other income (expense), net	17	(13)
Total other income (expense), net	210	17
Loss before equity method investment	(33,617)	(22,901)
Loss on equity method investment	(1,010)	—
Net loss	(34,627)	(22,901)
Net loss per share:		
Net loss per share - basic and diluted	$ (0.73)	$ (0.69)
Weighted average shares - basic and diluted	47,712	33,012
Other comprehensive income (loss):		
Unrealized loss on investment securities	(1,810)	(6)
Comprehensive loss	$ (36,437)	$ (22,907)

See the accompanying notes to these unaudited condensed consolidated financial statements.

Crinetics Pharmaceuticals, Inc.

Condensed Consolidated Statements of Stockholders' Equity

(In thousands)
(Unaudited)

	Common Stock Shares	Common stock and Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
Balance at January 1, 2022	47,597	$ 607,581	$ (382)	$ (275,255)	$ 331,944
Vesting of shares subject to repurchase	1	2	—	—	2
Exercise of stock options	203	1,780	—	—	1,780
Stock-based compensation	—	5,755	—	—	5,755
Comprehensive loss	—	—	(1,810)	—	(1,810)
Net loss	—	—	—	(34,627)	(34,627)
Balance at March 31, 2022	47,801	$ 615,118	$ (2,192)	$ (309,882)	$ 303,044
Balance at January 1, 2021	33,001	$ 336,508	$ 25	$ (167,614)	$ 168,919
Vesting of shares subject to repurchase	3	5	—	—	5
Exercise of stock options	13	57	—	—	57
Stock-based compensation	—	3,406	—	—	3,406
Comprehensive loss	—	—	(6)	—	(6)
Net loss	—	—	—	(22,901)	(22,901)
Balance at March 31, 2021	33,017	$ 339,976	$ 19	$ (190,515)	$ 149,480

See the accompanying notes to these unaudited condensed consolidated financial statements.

Crinetics Pharmaceuticals, Inc.

Condensed Consolidated Statements of Cash Flows

(In thousands)
(Unaudited)

	Three months ended March 31,	
	2022	**2021**
Operating activities:		
Net loss	$ (34,627)	$ (22,901)
Reconciliation of net loss to net cash used in operating activities:		
Stock-based compensation	5,755	3,406
Depreciation and amortization	240	224
Noncash lease expense	95	80
Accretion of purchase discounts and amortization of premiums on investment securities, net	322	83
Loss on equity method investment	1,010	—
Increase (decrease) in cash resulting from changes in:		
Prepaid expenses and other assets	2,489	(487)
Accounts payable and accrued expenses	1,530	(271)
Deferred revenue	9,869	—
Operating lease liability	(226)	(201)
Net cash used in operating activities	(13,543)	(20,067)
Investing activities:		
Purchases of investment securities	(55,017)	(2,535)
Maturities of investment securities	11,720	35,153
Purchases of property and equipment	(87)	(116)
Net cash (used in) provided by investing activities	(43,384)	32,502
Financing activities:		
Proceeds from exercise of stock options	1,780	57
Net cash provided by financing activities	1,780	57
Net change in cash, cash equivalents and restricted cash	(55,147)	12,492
Cash, cash equivalents and restricted cash at beginning of period	201,195	93,587
Cash, cash equivalents and restricted cash at end of period	$ 146,048	$ 106,079
Components of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$ 145,548	$ 105,579
Restricted cash	500	500
Cash, cash equivalents and restricted cash at end of period	$ 146,048	$ 106,079
Noncash investing and financing activities:		
Change in unvested stock liability	$ 2	$ 5
Amounts accrued for purchases of property and equipment	$ —	$ 21

See the accompanying notes to these unaudited condensed consolidated financial statements.

1. ORGANIZATION AND BASIS OF PRESENTATION

Description of Business

Crinetics Pharmaceuticals, Inc. (the "Company") is a clinical-stage pharmaceutical company incorporated in Delaware on November 18, 2008 and based in San Diego, California. The Company is focused on the discovery, development and commercialization of novel therapeutics for rare endocrine diseases and endocrine-related tumors. In January 2017, the Company established a wholly-owned Australian subsidiary, Crinetics Australia Pty Ltd ("CAPL"), in order to conduct various preclinical and clinical activities for its development candidates.

Unaudited Interim Financial Information

The accompanying interim condensed consolidated balance sheet as of March 31, 2022, the condensed consolidated statements of operations and comprehensive loss for the three months ended March 31, 2022 and 2021, the condensed consolidated statements of stockholders' equity for the three months ended March 31, 2022 and 2021, and the condensed consolidated statements of cash flows for the three months ended March 31, 2022 and 2021, and the related disclosures are unaudited. In management's opinion, the unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and include all adjustments, which include only normal recurring adjustments, necessary for the fair statement of the Company's financial position as of March 31, 2022 and the results of its operations and cash flows for the three months ended March 31, 2022 and 2021 in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The results for the three months ended March 31, 2022 are not necessarily indicative of the results expected for the full fiscal year or any other interim period.

Principles of Consolidation and Foreign Currency Transactions

The condensed consolidated financial statements include the accounts of the Company and CAPL. All intercompany accounts and transactions have been eliminated in consolidation. The functional currency of both the Company and CAPL is the U.S. dollar. Assets and liabilities that are not denominated in the functional currency are remeasured into U.S. dollars at foreign currency exchange rates in effect at the balance sheet date except for nonmonetary assets, which are remeasured at historical foreign currency exchange rates in effect at the date of transaction. Net realized and unrealized gains and losses from foreign currency transactions and remeasurement are reported in other income (expense), in the condensed consolidated statements of operations and were not material for all periods presented.

Segment Reporting

Operating segments are identified as components of an enterprise about which discrete financial information is available for evaluation by the chief operating decision-maker in making decisions regarding resource allocation and assessing performance. The Company views its operations and manages its business in one operating segment.

Liquidity

From inception, the Company has devoted substantially all of its efforts to drug discovery and development and conducting preclinical studies and clinical trials. The Company has a limited operating history and the sales and income potential of the Company's business and market are unproven. Successful transition to attaining profitable operations is dependent upon achieving a level of revenues adequate to support the Company's cost structure. The Company has experienced net losses and negative cash flows from operating activities since its inception and has an accumulated deficit of $309.9 million as of March 31, 2022.

As of March 31, 2022, the Company had $319.7 million in unrestricted cash, cash equivalents and investment securities, which the Company believes is sufficient to meet its funding requirements for at least the next 12 months. The Company also raised an additional $117.3 million through an underwritten follow-on offering of 5,625,563 shares of its common stock in April 2022 (see Note 11).

The Company expects to continue to incur net losses for the foreseeable future and believes it will need to raise substantial additional capital to accomplish its business plan over the next several years. The Company plans to continue to fund its losses from operations and capital funding needs through a combination of equity offerings, debt financings or other sources, including potential collaborations, licenses and other similar arrangements. If the Company is not able to secure adequate additional funding, the Company may be forced to make reductions in spending, extend payment terms with suppliers, liquidate assets where possible, or suspend or curtail planned programs. Any of these actions could materially harm the Company's business, results of operations and future prospects. There can be no assurance as to the availability or terms upon which such financing and capital might be available in the future.

COVID-19

The COVID-19 pandemic has caused significant business disruption around the globe. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration of the pandemic and the impact on the Company's clinical trials, employees and vendors. To the extent possible, and consistent with applicable guidance from federal, state and local authorities, the Company is conducting business as usual, with necessary or advisable modifications to employee travel. The Company will continue to actively monitor the evolving situation related to COVID-19 and may take further actions that alter its operations, including those that may be required by federal, state or local authorities, or that the Company determines are in the best interests of its employees and other third parties with whom the Company does business. While the pandemic has not yet had a material effect on the Company's financial results, the degree to which COVID-19, including the impact of new variants of the virus that causes COVID-19, may impact the Company's future financial condition or results of operations is uncertain. A prolonged outbreak could have a material adverse impact on financial results and business operations of the Company, including the timing and ability of Company to complete certain clinical trials and other efforts required to advance the development of its drug candidates and raise additional capital.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The Company's condensed consolidated financial statements are prepared in accordance with GAAP. The preparation of the Company's condensed consolidated financial statements requires it to make estimates and assumptions that impact the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the Company's condensed consolidated financial statements and accompanying notes. The most significant estimates in the Company's condensed consolidated financial statements relate to accrual of research and development expenses, valuation of stock-based awards, fair values of financial instruments, revenue recognition and equity method investment. Although these estimates are based on the Company's knowledge of current events and actions it may undertake in the future, actual results may ultimately materially differ from these estimates and assumptions.

Equity Method Investment

The Company first analyzes its investment in another entity to determine if the entity is a variable interest entity ("VIE") and if so, whether the Company is the primary beneficiary requiring consolidation. An entity is considered a VIE if (1) the entity does not have enough equity to finance its own activities without additional support, (2) the entity's at-risk equity holders lack the characteristics of a controlling financial interest, or (3) the entity is structured with non-substantive voting rights. VIEs are consolidated by the primary beneficiary, which is the entity that has both the power to direct the activities that most significantly impact the VIE's economic performance and the obligation to absorb losses or the right to receive benefits from the VIE that potentially could be significant to the VIE. Variable interests in a VIE can be contractual, ownership, or other financial interests. The Company re-assesses its investment upon reconsideration events to determine whether the Company is the primary beneficiary of the VIE, in which case the Company would consolidate the VIE.

If it has been determined that the Company is not the primary beneficiary or does not have control but does have the ability to exercise significant influence over the VIE, the Company accounts for the unconsolidated investment under the equity method of accounting.

As discussed in Note 8, in October 2021, the Company, together with 5AM Ventures ("5AM") and Frazier Healthcare Partners ("Frazier"), announced the formation of Radionetics Oncology, Inc. ("Radionetics"). Radionetics aims to develop a deep pipeline of novel, targeted, nonpeptide radiopharmaceuticals for the treatment of a broad range of oncology indications. Radionetics is considered to be a VIE. The Company maintains an equity interest in Radionetics and accounts for its investment in Radionetics under the equity method of accounting. The Company records its share of Radionetics income (loss) outside of operations in the statements of operations and comprehensive loss on a quarterly lag. Since the Company's investment in Radionetics was obtained on October 15, 2021, the Company recorded its share of income (loss) beginning in the first quarter of 2022. As of March 31, 2022, the Company's equity method investment in Radionetics was written down to zero.

Fair Value Measurements

The accounting guidance defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or non-recurring basis. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the accounting guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets.

Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly.

Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The carrying amounts of the Company's current financial assets, restricted cash and current financial liabilities are considered to be representative of their respective fair values because of the short-term nature of those instruments. The Company recorded the derivative asset (see Note 8) and investment securities (see Note 3) at fair value.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include cash held in readily available checking and money market accounts, as well as short-term debt securities with maturities of three months or less when purchased. Restricted cash represents cash held as collateral for the Company's facility lease and is reported as a long-term asset in the accompanying condensed consolidated balance sheets.

Investment Securities

All investments have been classified as "available-for-sale" and are carried at fair value as determined based upon quoted market prices or pricing models for similar securities at period end. Investments with contractual maturities less than 12 months at the balance sheet date are considered short-term investments. Investments with contractual maturities beyond one year are also classified as short-term due to the Company's ability to liquidate the investment for use in operations within the next 12 months.

Realized gains and losses on investment securities are included in earnings and are derived using the specific identification method for determining the cost of securities sold. The Company has not realized any significant gains or losses on sales of available-for-sale investment securities during any of the periods presented. As all the Company's investment holdings are in the form of debt securities, unrealized gains and losses that are determined to be temporary in nature are reported as a component of accumulated other comprehensive income (loss). A decline in the fair value of any security below cost that is deemed other than temporary results in a charge to earnings and the establishment of a new cost basis for the security. Interest income is recognized when earned and is included in investment income, as are the amortization of purchase premiums and accretion of purchase discounts on investment securities.

Derivative Asset

Derivatives are recorded at fair value and changes in fair value are recorded through the statements of operations and comprehensive loss each period. The Company has a single derivative instrument, a warrant ("Radionetics Warrant") received on October 15, 2021, to purchase the greater of 3,407,285 additional shares of common stock or the number of additional shares of common stock that would allow the Company to maintain an aggregate equity interest of 22% of the fully diluted capitalization of Radionetics. The Company records the Radionetics Warrant as long-term on the balance sheets due to the lack of marketability, such that it is not expected to be available for current operations. Changes in fair value of the Radionetics Warrant are recognized in other income (expense) in the accompanying condensed consolidated statements of operations and comprehensive loss.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, cash equivalents and investment securities. The Company maintains deposits in federally insured financial institutions in excess of federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to significant risk on its cash balances due to the financial position of the depository institution in which those deposits are held. Additionally, the Company has established guidelines regarding approved investments and maturities of investments, which are designed to maintain safety and liquidity.

Leases

The Company determines if an arrangement is a lease at the inception of the arrangement. Leases with a term longer than 12 months that are determined to be operating leases are included in operating lease right-of-use assets, other current liabilities and noncurrent operating lease liabilities in the condensed consolidated balance sheets. The Company accounts for each separate lease and non-lease component as a single lease component. When the Company's leases do not provide an implicit rate, an incremental borrowing rate is used based on the information available at commencement dates in determining the present value of lease payments. The incremental borrowing rate is the rate of interest that the Company would expect to pay to borrow over a similar term, and on a collateralized basis, an amount equal to the lease payments in a similar economic environment. The Company's lease terms may include options to extend or terminate the lease when the Company is reasonably certain that it will exercise such options. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Lease agreements may contain variable costs such as common area maintenance, insurance, taxes or other costs. Such variable lease costs are expensed as incurred. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

Revenue Recognition

The Company has generated revenue from licensing arrangements. The Company recognizes revenues when, or as, the promised goods or services are transferred to customers in an amount that reflects the consideration to which it expects to be entitled in

exchange for those services. To determine revenue recognition for arrangements, the Company performs the following five steps: (1) identify the contract(s) with a customer; (2) identify the performance obligation(s) in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligation(s) in the contract; and (5) recognize revenue when (or as) the performance obligation(s) are satisfied. At contract inception, the Company assesses the goods or services promised within each contract, assesses whether each promised good or service is distinct and identifies those that are performance obligations. The Company recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when, or as, the performance obligation is satisfied.

The Company has entered into licensing and collaboration agreements that mainly include the following: (i) upfront considerations; (ii) payments associated with achieving certain milestones; and (iii) royalties based on specified percentages of net product sales, if any. At the initiation of an agreement, the Company analyzes each unit of account within the contract to determine if the counterparty is a customer in the context of the unit of account.

The Company considers a variety of factors in determining the appropriate estimates and assumptions under the arrangements, such as whether the elements are distinct performance obligations, whether there are observable standalone prices, and whether the license is functional or symbolic. The Company evaluates each performance obligation to determine if it can be satisfied and recognized as revenue at a point in time or over time.

At the inception of arrangements that include variable consideration, the Company uses judgment to estimate the amount of variable consideration to include in the transaction price using the most likely method. If it is probable that a significant revenue reversal will not occur, the estimated amount is included in the transaction price. Milestone payments that are not within the Company's or the licensee’s control, such as regulatory approvals, are not included in the transaction price until those approvals are received. At the end of each reporting period, the Company re-evaluates estimated variable consideration included in the transaction price and any related constraint and, as necessary, adjusts the estimate of the overall transaction price. Any adjustments will be recorded on a cumulative catch-up basis, which would affect revenues and earnings in the period of adjustment.

The Company develops estimates of the standalone selling price for each distinct performance obligation. Variable consideration that relates specifically to efforts to satisfy specific performance obligations is allocated entirely to those performance obligations. Other components of the transaction price are allocated based on the relative standalone selling price, over which management has applied significant judgment. The Company develops assumptions under the adjusted market based approach that require judgment to determine the standalone selling price for license-related performance obligations, which may include forecasted revenues, development timelines, discount rates and probabilities of success. the Company estimates the standalone selling price for the data exchange performance obligation (see Note 8) by forecasting the expected costs of satisfying a performance obligation plus a predetermined margin.

In the case of a license that is a distinct performance obligation, the Company recognizes revenue allocated to the license from non-refundable, up-front fees at the point in time when the license is transferred to the licensee and the licensee can use and benefit from the license. For licenses that are bundled with other distinct or combined obligations, the Company uses judgment to assess the nature of the performance obligation to determine whether the performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue. If the performance obligation is satisfied over time, the Company evaluates the measure of progress each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition.

The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. Revenue is recorded proportionally as costs are incurred. The Company has used the cost-to-cost measure of progress because it best depicts the transfer of control to the customer which occurs as the Company incurs costs. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation, which is considered an input method. The Company uses judgment to estimate the total cost of these over time performance obligations, which include subcontractors’ costs, labor, materials, other direct costs and an allocation of indirect costs. The Company evaluates these cost estimates and the progress each reporting period and, as necessary, the Company adjusts the measure of progress and related revenue recognition.

Sales-based milestones and royalties are recognized at the later of when the subsequent sale or usage occurs or the performance obligation for which some or all of the sales-based milestones and royalties have been allocated to has been satisfied or partially satisfied.

Research and Development Expenses

Research and development (“R&D”) expenses consist primarily of salaries, payroll taxes, employee benefits and stock-based compensation for individuals involved in R&D efforts, as well as consulting expenses, third-party R&D expenses, laboratory supplies, clinical materials and overhead, including facilities and depreciation costs, offset by the Australian Tax Incentive discussed below. R&D expenses are charged to expense as incurred. Payments made prior to the receipt of goods or services to be used in R&D are capitalized until the goods or services are received.

Costs incurred under contracts with contract research organizations that conduct and manage the Company's clinical trials are also included in research and development expenses. The financial terms and activities of these agreements vary from contract to contract and may result in uneven expense levels. Generally, these agreements set forth activities that drive the recording of expenses such as start-up and initiation activities, enrollment and treatment of patients, or the completion of other clinical trial activities. Expenses related to clinical trials are accrued based on estimates and/or representations from service providers regarding work performed, including actual level of patient enrollment, completion of patient studies and progress of the clinical trials. Other incidental costs related to patient enrollment or treatment are accrued when reasonably certain. If the amounts that the Company is obligated to pay under its clinical trial agreements are modified (for instance, as a result of changes in the clinical trial protocol or scope of work to be performed), the Company adjusts its accruals accordingly on a prospective basis. Revisions to contractual payment obligations are charged to expense in the period in which the facts that give rise to the revision become reasonably certain.

Accrued R&D expenses were $7.4 million at March 31, 2022 and $4.2 million at December 31, 2021 and are included in accounts payable and accrued expenses in the condensed consolidated balance sheets.

Australian Tax Incentive

CAPL is eligible to obtain a cash refund from the Australian Taxation Office for eligible R&D expenditures under the Australian R&D Tax Incentive Program (the "Australian Tax Incentive"). The Australian Tax Incentive is recognized as a reduction to R&D expense when there is reasonable assurance that the Australian Tax Incentive will be received, the relevant expenditure has been incurred, and the amount can be reliably measured.

The Company recognized a reduction to R&D expense of $146,000 and $55,000 for the three months ended March 31, 2022 and 2021, respectively.

Stock-Based Compensation

Stock-based compensation expense represents the estimated grant date fair value of the Company's equity awards, consisting of stock options, restricted stock units and shares issued under the Company's Employee Stock Purchase Plan, recognized over the requisite service period of such awards (usually the vesting period) on a straight-line basis. The Company estimates the fair value of all stock option grants using the Black-Scholes option pricing model and recognizes forfeitures as they occur. Restricted stock units are valued using the grant date stock price. For stock awards for which vesting is subject to performance-based milestones, the expense is recorded over the remaining service period after the point when the achievement of the milestone is probable, or the performance condition has been achieved.

Comprehensive Loss

Comprehensive loss is comprised of the Company's net loss and the unrealized gain or loss on the Company's investment securities held for all periods presented.

Net Loss Per Share

Basic net loss per share is computed by dividing the net loss by the weighted-average number of common shares outstanding for the period, without consideration for potentially dilutive securities. Diluted net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock and dilutive common stock equivalents outstanding for the period determined using the treasury-stock and if-converted methods. Dilutive common stock equivalents are comprised of common stock subject to repurchase and stock options outstanding under the Company's stock option plan. For all periods presented, there is no difference in the number of shares used to calculate basic and diluted shares outstanding as inclusion of the potentially dilutive securities would be antidilutive.

Potentially dilutive securities not included in the calculation of diluted net loss per share because to do so would be anti-dilutive are shown below in common stock equivalent shares (in thousands):

	As of March 31, 2022	
	2022	2021
Common stock awards	8,279	5,996
Unvested common stock subject to repurchase	—	12
Total	8,279	6,008

Recently Adopted Accounting Pronouncements

ASU 2021-04

In May 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2021-04, *Earnings Per Share* ("Topic 260"), *Debt-Modifications and Extinguishments* ("Subtopic 470-50"), *Compensation-Stock Compensation* ("Topic 718"), and *Derivatives and Hedging-Contracts in Entity's Own Equity* ("Subtopic 815-40"): *Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options*, which intends to clarify and reduce diversity in an issuer's accounting for modifications or exchanges of freestanding equity-classified written call options (for example, warrants)

that remain equity classified after modification or exchange. The Company adopted ASU 2021-04 as of January 1, 2022, which did not have an impact on its condensed consolidated financial statements.

Recent Accounting Pronouncements

ASU 2016-13

In June 2016, the FASB issued ASU No. 2016-13, *"Financial Instruments - Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments"* ("Topic 326"), subsequently amended by various standard updates. Topic 326 amends guidance on reporting credit losses for assets held at amortized cost basis and available for sale debt securities. For assets held at amortized cost basis, Topic 326 eliminates the probable initial recognition threshold in current GAAP and, instead, requires an entity to reflect its current estimate of all expected credit losses. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial assets to present the net amount expected to be collected. For available for sale debt securities, credit losses should be measured in a manner similar to current GAAP, however Topic 326 will require that credit losses be presented as an allowance rather than as a write-down. This ASU update affects entities holding financial assets and net investment in leases that are not accounted for at fair value through net income. This update is effective for the Company for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company is currently evaluating the impact of the pending adoption of this new standard on its condensed consolidated financial statements.

3. INVESTMENT SECURITIES

The Company reports its available-for-sale investment securities at their estimated fair values based on quoted market prices for identical or similar instruments. The following is a summary of the available-for-sale investment securities held by the Company as of March 31, 2022 and December 31, 2021 (*in thousands*):

	As of March 31, 2022			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Available-for-sale investment securities:				
U.S. government and agency obligations	$ 99,095	$ —	$ (971)	$ 98,124
Certificates of deposit	4,507	—	(42)	4,465
Corporate debt securities	70,355	—	(1,172)	69,183
Asset-backed securities	2,412	—	(7)	2,405
Total	$ 176,369	$ —	$ (2,192)	$ 174,177

	As of December 31, 2021			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Available-for-sale investment securities:				
U.S. government and agency obligations	$ 54,637	$ —	$ (180)	$ 54,457
Certificates of deposit	5,735	1	(4)	5,732
Corporate debt securities	70,600	6	(204)	70,402
Asset-backed securities	2,421	—	—	2,421
Total	$ 133,393	$ 7	$ (388)	$ 133,012

As of March 31, 2022 and December 31, 2021, available-for-sale investment securities by contractual maturity were as follows (in thousands):

	As of March 31, 2022		As of December 31, 2021	
	Amortized Cost	Fair Market Value	Amortized Cost	Fair Market Value
Available-for-sale investment securities:				
Due in one year or less	$ 90,230	$ 89,810	$ 31,101	$ 31,078
Due after one year through five years	86,139	84,367	102,292	101,934
Total	$ 176,369	$ 174,177	$ 133,393	$ 133,012

The Company reviewed its investment holdings as of March 31, 2022 and December 31, 2021 and determined that its unrealized losses were not considered to be other-than-temporary based upon (i) the financial strength of the issuing institution and (ii) the fact

that no securities have been in an unrealized loss position for twelve months or more. As such, the Company has not recognized any impairment in its financial statements related to its available-for-sale investment securities.

4. FAIR VALUE MEASUREMENTS

Investment Securities

The Company holds investment securities that consist of highly liquid, investment grade debt securities. The Company determines the fair value of its investment securities based upon one or more valuations reported by its investment accounting and reporting service provider. The investment service provider values the securities using a hierarchical security pricing model that relies primarily on valuations provided by an industry-recognized valuation service. Such valuations may be based on trade prices in active markets for identical assets or liabilities (Level 1 inputs) or valuation models using inputs that are observable either directly or indirectly (Level 2 inputs), such as quoted prices for similar assets or liabilities, yield curves, volatility factors, credit spreads, default rates, loss severity, current market and contractual prices for the underlying instruments or debt, and broker and dealer quotes, as well as other relevant economic measures.

Derivative Asset

On October 15, 2021, the Company received the Radionetics Warrant to purchase the greater of 3,407,285 additional shares of common stock or the number of additional shares of common stock that would all the Company to maintain an aggregate equity interest of 22% of the fully diluted capitalization of Radionetics. The valuation method and primary inputs used in valuing the Radionetics Warrant are discussed in Note 8. Such valuation is based on valuations provided by a third-party valuation specialist using unobservable inputs due to little to no market data (Level 3 inputs). There were no material changes in the inputs or total the valuation of the Radionetics Warrant between October 15, 2021 and subsequent reporting periods.

Financial assets measured at fair value on a recurring basis as of March 31, 2022 and December 31, 2021 were as follows (*in thousands*):

	As of March 31, 2022			
	Level 1	Level 2	Level 3	Total
Investment securities:				
U.S. government and agency obligations	$ 86,840	$ 11,284	$ —	$ 98,124
Certificates of deposit	—	4,465	—	4,465
Corporate debt securities	—	69,183	—	69,183
Asset-backed securities	—	2,405	—	2,405
Total Investment securities	86,840	87,337	—	174,177
Derivative Assets:				
Radionetics Warrant	—	—	68	68
Total assets measured at fair value	$ 86,840	$ 87,337	$ 68	$ 174,245

	As of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Investment securities:				
U.S. government and agency obligations	$ 44,984	$ 9,473	$ —	$ 54,457
Certificates of deposit	—	5,732	—	5,732
Corporate debt securities	—	70,402	—	70,402
Asset-backed securities	—	2,421		2,421
Total Investment securities	44,984	88,028	—	133,012
Derivative Assets:				
Radionetics Warrant	—	—	68	68
Total assets measured at fair value	$ 44,984	$ 88,028	$ 68	$ 133,080

The Company's policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of Level 3 during the three months ended March 31, 2022 or year ended December 31, 2021.

5. BALANCE SHEET DETAILS

Prepaid expenses and other current assets consisted of the following (in thousands):

	March 31, 2022	December 31, 2021
Prepaid research and development costs	$ 4,843	$ 7,184
Australian tax incentive receivable	410	977
Prepaid insurance	519	888
Interest receivable	516	499
Due from Radionetics (Note 8)	619	553
Other	1,617	912
Total	$ 8,524	$ 11,013

Property and equipment, net consisted of the following (in thousands):

	March 31, 2022	December 31, 2021
Leasehold improvements	$ 3,516	$ 3,516
Lab equipment	1,977	1,889
Office equipment	859	859
Computers and software	41	41
Property and equipment at cost	6,393	6,305
Less accumulated depreciation and amortization	3,721	3,480
Total	$ 2,672	$ 2,825

6. OPERATING LEASE

In February 2018, as amended in March 2018, the Company entered into a non-cancelable operating lease for a new facility in San Diego, California. The lease has an initial term of seven years which expires in August 2025, and the Company has an option to extend the term of the lease for an additional five years and has a termination option subject to early termination fees. The lease is subject to base lease payments and additional charges for common area maintenance and other costs and includes certain lease incentives and tenant improvement allowances. The Company's estimated incremental fully collateralized borrowing rate of 8.0% was used in its present value calculation as the facility lease does not have a stated rate and the implicit rate was not readily determinable.

Under the terms of the lease, the Company provided the lessor with an irrevocable letter of credit in the amount of $0.5 million. The lessor is entitled to draw on the letter of credit in the event of any default by the Company under the terms of the lease.

As of March 31, 2022, future minimum payments under non-cancellable operating leases were as follows (in thousands):

Year ending December 31,	Minimum Payments
2022 (9 months)	$ 909
2023	1,244
2024	1,280
2025	871
Total future minimum lease payments	4,304
Less imputed interest	(517)
Total operating lease liability	3,787
Less operating lease liability, current	(965)
Operating lease liability, non-current	$ 2,822

Lease cost is recorded on a straight-line basis over the term of the Company's facility lease. Rent expense was $0.3 million for each of the three-month periods ended March 31, 2022 and 2021. As of March 31, 2022 and December 31, 2021, the Company's operating lease weighted average remaining term was 3.3 and 3.6 years, respectively. As of March 31, 2022 and December 31, 2021, the Company's weighted-average discount rate was 8%.

Cash paid for amounts included in the measurement of lease liabilities for operating cash flow from operating leases was $0.3 million during each of the three-month periods ended March 31, 2022 and 2021.

7. COMMITMENTS AND CONTINGENCIES

Litigation

From time to time, the Company may be subject to various claims and suits arising in the ordinary course of business. The Company does not expect that the resolution of these matters will have a material adverse effect on its financial position or results of operations.

8. LICENSE AGREEMENTS

Radionetics Oncology, Inc.

Formation

In October 2021, the Company, together with 5AM and Frazier, announced the formation of Radionetics. Radionetics aims to develop a deep pipeline of novel, targeted, nonpeptide radiopharmaceuticals for the treatment of a broad range of oncology indications.

Collaboration and License Agreement

The Company and Radionetics entered into the collaboration and license agreement ("CLA"), under which the Company granted to Radionetics an exclusive world-wide license to its radiotherapeutics technology platform and associated intellectual property for use in developing radiotherapeutics and related radio-imaging agents, including exclusive rights to the underlying intellectual property on certain preclinical drug candidates. Under the CLA, the Company will not be supporting or maintaining the intellectual property and does not plan on continuing to undertake those activities from which the utility of the intellectual property is derived. The collaborative provisions per the CLA are deemed to be protective measures for the advancement of the technology and not deemed to be a separate performance obligation. The Company assessed the CLA and concluded that Radionetics is a customer within the CLA. The performance obligation under the CLA consisted of the license and know-how of the technology that was transferred at the inception of the CLA.

In exchange, the Company received 50,500,000 shares of common stock of Radionetics, which represents an initial majority stake in Radionetics of 64%, and the Radionetics Warrant to purchase the greater of 3,407,285 additional shares of common stock or the number of additional shares of common stock that would allow the Company to maintain an aggregate equity interest of 22% of the fully diluted capitalization of Radionetics. The exercise price of the Radionetics Warrant is $0.00001 and it is exercisable at any time and has a term of 10 years.

These upfront noncash considerations were valued at $1.1 million, which were comprised of $1.0 million for the Company's share of Radionetics common stock and $0.1 million for the Radionetics Warrant. The CLA is for functional intellectual property which was transferred at the inception of the CLA. The Company does not have an ongoing performance obligation to support or maintain the licensed intellectual property under the CLA. In October 2021, the entire amount of the upfront noncash consideration of $1.1 million was recognized as license revenue upon the Company's transfer of the license under the CLA.

In addition to the upfront non-cash considerations, the Company may receive potential sales milestones in excess of $1.0 billion and single-digit royalties on net sales. As there have been no sales to date, no sales-based milestones or royalties were recognized to date.

Investment in Radionetics

The Company applied the VIE model to its variable interests in Radionetics and concluded Radionetics is a VIE due to its insufficient equity to finance its activities without additional subordinated financial support.

The Company then evaluated whether it is the primary beneficiary of Radionetics by identifying Radionetics' key activities: (1) research and development activities, (2) financing decisions, and (3) determining the strategic direction of Radionetics. Power over research and development activities are made by unanimous vote by members of the research and development committee, in which no party has power. Power for financing decisions and setting strategic direction rests with the Radionetics' board of directors, and no party was determined to be in control since the Radionetics board of directors is comprised of 4 members for which Crinetics, 5AM and Frazier are entitled to appoint (and replace, as needed) their board designee while the fourth independent member must be mutually agreed to by all three investors. Radionetics' management is entirely separate from the Company and is determined by Radionetics' board of directors. As the Company does not control any of Radionetics' key activities, it is not the primary beneficiary of the VIE and does not consolidate Radionetics.

The Company accounted for its investment in Radionetics under the equity method of accounting due to its ability to exercise significant influence through its board seat and involvement in R&D activities, among other factors. The Company's initial investment in Radionetics was recorded at the fair value of common stock received in the amount of $1.0 million.

The Company's maximum exposure to loss of Radionetics is limited to carrying value of its equity method investment in Radionetics and the Radionetics Warrant. The Company has no obligation to fund the operations of Radionetics and has not provided significant explicit or implicit support to Radionetics that was not contractually required. The financial statements of Radionetics are not received sufficiently timely for the Company to record its portion of earnings or loss in the current condensed consolidated financial statements and therefore the Company reports its portion of earnings or loss on a one quarter lag. The Company accounted for its share in

Radionetics' loss as of December 31, 2021 during the three months ended March 31, 2022. The Company's investment in Radionetics was written down to zero during the three months ended March 31, 2022 as a result of the allocation of the Company's share of losses of the investee.

Other Radionetics Transactions

During the year ended December 31, 2021, Radionetics completed a $30.0 million convertible notes financing with 5AM and Frazier as the sole participants.

R. Scott Struthers, Ph.D. the Company's President and Chief Executive Officer, serves as chairman of the Radionetics board of directors. Pursuant to such arrangement, Dr. Struthers received 1,000,000 shares of restricted common stock of Radionetics, which vest ratably over 36 months, subject to continued service, and receives a $50,000 annual retainer for his service as a board member of Radionetics.

As of March 31, 2022 and December 31, 2021, the Company had approximately $0.6 million due from Radionetics for reimbursement of certain expenses paid on behalf of Radionetics. These amounts are recorded within prepaid expenses and other current assets in the accompanying condensed consolidated balance sheets. The Company has evaluated these reimbursements and concluded that these reimbursements are not performance obligations for which the Company is acting as the principal and therefore these amounts have been included within operating expenses in the accompanying statements of operations and comprehensive income in the period incurred.

Sanwa Kagaku Kenkyusho Co., Ltd

On February 25, 2022, the Company and Sanwa Kagaku Kenkyusho Co., Ltd. ("Sanwa"), entered into a license agreement (the "Sanwa License") whereby the Company granted Sanwa an exclusive license to develop and commercialize paltusotine in Japan.

Under the Sanwa License, Sanwa has the right to receive data obtained by the Company through certain paltusotine studies. The Company assessed the Sanwa License and concluded that Sanwa is a customer within the agreement. Under the Sanwa License, the Company will not be supporting or maintaining the intellectual property and does not plan on continuing to undertake those activities from which the utility of the intellectual property is derived. Sanwa will assume all costs associated with clinical trials and regulatory applications associated with these processes in Japan. Further, the Company retains all rights to develop and commercialize the product outside Japan. The Company also granted Sanwa the right to purchase supply of paltusotine for clinical and commercial requirements at cost plus a pre-negotiated percentage which was considered to be a market rate and therefore not a material right. No supply purchases were made by Sanwa from the Company during the period ended March 31, 2022.

The Company determined that its performance obligations comprised the license and data exchange. Certain professional services, such as the Company's participation on committees, were deemed to be immaterial to the context of the contract.

In exchange, the Company received a $13.0 million nonrefundable, upfront payment and will be eligible to receive up to an additional $25.5 million in milestone payments related to the achievement of certain development, regulatory and commercial goals. In addition, upon market approval of paltusotine in Japan, the Company will be eligible to receive certain sales-based royalties. The Company determined that the transaction price amounted to the upfront payment of $13.0 million. As there have been no sales to date, no sales-based milestones or royalties were recognized to date. Further, using the most-likely-method, the developmental milestone payments were considered fully constrained.

The control of the license was transferred to Sanwa at the inception of the contract as the Sanwa License is for functional intellectual property and the Company does not have an ongoing performance obligation to support or maintain the licensed intellectual property. Revenue allocated to the data exchange obligation is recognized over time using the cost-to-cost measure as this method represents a faithful depiction of progress toward the ongoing paltusotine studies in the U.S. and related data transfer. Revenue is recognized on a gross basis as the Company is the principal.

During the three months ended March 31, 2022, $3.1 million of the $13 million upfront payment was recognized as license revenues in the accompanying condensed consolidated statements of operations and comprehensive loss and $9.9 million is included as deferred revenues in the accompanying condensed consolidated balance sheets. Deferred revenues are expected to be recognized over the duration of certain paltusotine studies conducted by the Company. Of the $3.1 million license revenues recognized during the three months ended March 31, 2022, $1.5 million is related to the transfer of the license at the inception of the Sanwa License, with the remaining $1.6 million related to the data exchange performance obligation completed as of March 31, 2022.

9. STOCKHOLDERS' EQUITY

Stock Offerings

On April 12, 2021, the Company completed an underwritten follow-on offering of 4,562,044 shares of its common stock at a price to the public of $16.44 per share. Proceeds from the offering were approximately $72.6 million, net of underwriting discounts and commissions and offering costs of $2.4 million. The shares were registered pursuant to the Company's Shelf Registration Statement discussed below.

On July 28, 2021, the Company entered into a stock purchase agreement for the private placement of 851,306 shares of its common stock at a price of $17.62 per share (the “Private Placement”), which shares were issued on July 30, 2021. Proceeds from the offering were approximately $15.0 million.

On October 21, 2021, the Company completed an underwritten follow-on offering of 8,712,400 shares of its common stock at a price to the public of $19.80 per share. Proceeds from the offering were approximately $162.0 million, net of underwriting discounts and commissions and offering costs of $10.5 million. The shares were registered pursuant to the Company’s 2021 Shelf Registration Statement discussed below.

Shelf Registration Statement and ATM Offerings

On August 13, 2019, the Company filed a registration statement on Form S-3 (the “Shelf Registration Statement”), covering the offering of up to $300.0 million of common stock, preferred stock, debt securities, warrants and units. The Registration Statement became effective on August 29, 2019.

On August 13, 2019, the Company also entered into a Sales Agreement (the “Sales Agreement”) with SVB Leerink LLC and Cantor Fitzgerald & Co. (collectively, the “Sales Agents”), under which the Company may, from time to time, sell shares of its common stock having an aggregate offering price of up to $75.0 million through the Sales Agents (the “ATM Offering”). The Shelf Registration Statement included a prospectus covering the offering, issuance and sale of up to $75.0 million of the Company’s common stock from time to time through the ATM Offering. The shares to be sold under the Sales Agreement may be issued and sold pursuant to the Shelf Registration Statement.

To date, the Company has issued 275,764 shares of common stock in the ATM Offering for net proceeds of $6.4 million, after deducting commissions. The Company has not issued any additional shares of common stock in the ATM Offering since the first quarter of 2020.

On August 10, 2021, the Company filed a registration statement on Form S-3 (the “2021 Shelf Registration Statement”), which became immediately effective upon filing, covering the offering of common stock, preferred stock, debt securities, warrants and units and the resale of up to 851,306 shares by the accredited investor who purchased shares in the Private Placement.

10. EQUITY INCENTIVE PLANS

2021 Employment Inducement Incentive Award Plan

The Company adopted the 2021 Employment Inducement Incentive Award Plan (the "2021 Inducement Plan") in December 2021. The Company initially reserved 1,500,000 shares of the Company’s common stock for issuance pursuant to awards granted under the 2021 Inducement Plan. The terms of the 2021 Inducement Plan are substantially similar to the terms of the Company’s 2018 Incentive Award Plan with the exception that awards may only be made to an employee who has not previously been an employee or member of the board of directors of the Company if the award is in connection with commencement of employment. As of March 31, 2022, 1,083,500 shares were available for future issuance under the 2021 Inducement Plan.

2018 Incentive Award Plan

In July 2018, the Company adopted the 2018 Incentive Award Plan (the “2018 Plan”). Under the 2018 Plan, which expires in July 2028, the Company may grant equity-based awards to individuals who are employees, officers, directors or consultants of the Company. Options issued under the 2018 Plan will generally expire ten years from the date of grant and vest over a four-year period. On February 28, 2022, the Company granted restricted stock units under the 2018 Plan to employees. Shares will vest 25% each year with the first 25% considered vested as of March 15, 2023, provided that the employee is in the employment of the Company on such vesting date. As of March 31, 2022, 1,989,166 shares were available for future issuance under the 2018 Plan.

The 2018 Plan contains a provision that allows annual increases in the number of shares available for issuance on the first day of each calendar year through January 1, 2028 in an amount equal to the lesser of: (i) 5% of the aggregate number of shares of the Company’s common stock outstanding on December 31 of the immediately preceding calendar year, or (ii) such lesser amount determined by the Company. Under this evergreen provision, on January 1, 2022, an additional 2,379,911 shares became available for future issuance under the 2018 Plan.

2015 Stock Incentive Plan

In February 2015, the Company adopted the Crinetics Pharmaceuticals, Inc. 2015 Stock Incentive Plan (the “2015 Plan”), which provided for the issuance of equity awards to the Company’s employees, members of its board of directors and consultants. In general, options issued under this plan vest over four years and expire after 10 years. Subsequent to the adoption of the 2018 Plan, no additional equity awards can be made under the 2015 Plan.

Certain awards under the 2015 Plan allowed for exercise prior to vesting. Shares issued under such early-exercise provisions are subject to repurchase by the Company until they become fully vested. As of March 31, 2022, there were no unvested shares issued under early-exercise provisions subject to repurchase by the Company.

2018 Employee Stock Purchase Plan

In July 2018, the Company adopted the 2018 Employee Stock Purchase Plan (the "ESPP"). The ESPP permits participants to purchase common stock through payroll deductions of up to 20% of their eligible compensation. As of March 31, 2022, an aggregate of 1,329,090 shares of common stock were available for issuance under the ESPP.

The ESPP contains a provision that allows annual increases in the number of shares available for issuance on the first day of each calendar year through January 1, 2028 in an amount equal to the lesser of: (i) 1% of the aggregate number of shares of the Company's common stock outstanding on December 31 of the immediately preceding calendar year, or (ii) such lesser amount determined by the Company. Under this evergreen provision, on January 1, 2022, an additional 475,982 shares became available for future issuance under the ESPP.

The Company's offering period begins in May and November of each year and therefore no new offering periods began during the three months ended March 31, 2022.

Stock Awards

Stock Options

The Company's stock option activity during the three months ended March 31, 2022 was as follows:

	Options Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Term	Aggregate Intrinsic Value (000's)
Balance at December 31, 2021	6,553,594	$ 16.07		
Granted	1,650,529	$ 20.14		
Exercised	(203,047)	$ 8.77		
Forfeited and expired	(25,650)	$ 15.90		
Balance at March 31, 2022	7,975,426	$ 17.10	8.3	$ 43,369
Vested and expected to vest at March 31, 2022	7,975,426	$ 17.10	8.3	$ 43,369
Exercisable at March 31, 2022	3,159,840	$ 13.85	6.9	$ 27,723

Aggregate intrinsic value is calculated as the difference at a specific point in time between the closing price of the Company's common stock and the exercise price of stock options that had exercise prices below the closing price. The aggregate intrinsic value of options exercised during the three months ended March 31, 2022 was $2.2 million.

Restricted Stock Units

The Company's restricted stock unit activity during the three months ended March 31, 2022 was as follows:

	Restricted Stock Units Outstanding	Weighted-Average Grant Date Fair Value	Aggregate Fair Value (000's)
Balance at December 31, 2021	—	—	
Granted	306,194	$ 20.02	
Vested	—	—	
Forfeited	(2,125)	$ 20.02	
Balance at March 31, 2022	304,069	$ 20.02	$ 6,087
Vested and expected to vest at March 31, 2022	304,069	$ 20.02	$ 6,087
Exercisable at March 31, 2022	—	—	—

Fair Value of Stock Awards

The Company utilizes the Black-Scholes option pricing model to value awards under its equity plans. The following table summarizes the weighted average assumptions used to estimate the fair value of stock options granted under the Company's stock option plans:

Stock Option Awards	2022	2021
Expected option term	6.0 years	6.0 years
Expected volatility	88%	87%
Risk free interest rate	1.8%	0.9%
Expected dividend yield	—%	—%

The weighted-average fair value of stock options awarded during the three months ended March 31, 2022 and 2021 was $14.77 and $11.01 per share, respectively.

The key assumptions used in determining the fair value of equity awards, and the Company's rationale, were as follows: (i) Expected term - the expected term for options represents the period that options are expected to be outstanding and has been estimated using the simplified method, which is an average of the contractual option term and its vesting period; the expected term for ESPP represents the term the awards are expected to be outstanding; (ii) Expected volatility - the expected volatility assumption is based on volatilities of a peer group of similar companies in the biotechnology industry whose share prices are publicly available; (iii) Risk-free interest rate - the risk-free interest rate is based on the U.S. Treasury yield in effect at the time of grant for zero coupon U.S. Treasury notes with maturities that approximate the expected terms of awards; and (iv) Expected dividend yield - the expected dividend yield assumption is zero as the Company has never paid dividends and has no present intention to do so in the future.

Restricted stock units are valued using the grant date stock price.

Stock-Based Compensation Expense

Stock-based compensation expense for the equity awards issued by the Company to employees and non-employees for the periods presented below was as follows (in thousands):

	Three months ended March 31,	
	2022	2021
Included in research and development	$ 3,191	$ 1,813
Included in general and administrative	2,564	1,593
Total stock-based compensation expense	$ 5,755	$ 3,406

As of March 31, 2022, unrecognized stock-based compensation cost related to option awards, restricted stock units, and ESPP was $62.3 million, $6.0 million and $1.9 million, respectively, which is expected to be recognized over a remaining weighted-average period of approximately 2.2 years, 4.0 years and 1.4 years, respectively.

11. SUBSEQUENT EVENT

On April 18, 2022, the Company completed an underwritten follow-on offering of 5,625,563 shares of its common stock at a price to the public of $22.22 per share. Net proceeds from the offering were approximately $117.3 million, after underwriting discounts and commissions and estimated offering costs of approximately $7.7 million. The shares were registered pursuant to the Company's 2021 Shelf Registration Statement.

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

You should read the following discussion of our financial condition and results of operations in conjunction with the unaudited condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q and with our audited financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2021.

Forward Looking Statements

The following discussion and other parts of this quarterly report contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements other than statements of historical facts contained in this quarterly report, including statements regarding our future results of operations and financial position, business strategy, the impact of the COVID-19 pandemic, prospective products, product approvals, research and development costs, timing and likelihood of success, plans and objectives of management for future operations and future results of anticipated products, are forward-looking statements. These statements are often identified by the use of words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "should," "estimate," or "continue," and similar expressions or variations. The forward-looking statements in this quarterly report are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, operating results, business strategy, short-term and long-term business operations and objectives. These forward-looking statements speak only as of the date of this quarterly report and are subject to a number of risks, uncertainties and assumptions, including those described in Part II, Item 1A, "Risk Factors." The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

Overview

We are a clinical-stage pharmaceutical company focused on the discovery, development and commercialization of novel therapeutics for rare endocrine diseases and endocrine-related tumors. Endocrine pathways function to maintain homeostasis and commonly use peptide hormones acting through G protein coupled receptors, or GPCRs, to regulate many aspects of physiology including growth, energy, metabolism, gastrointestinal function and stress responses. We have assembled a seasoned team with extensive expertise in drug discovery and development in endocrine GPCRs and have built a highly productive drug discovery organization. We have discovered a pipeline of oral nonpeptide (small molecule) new chemical entities that target peptide GPCRs to treat a variety of rare endocrine diseases where treatment options have significant efficacy, safety and/or tolerability limitations. Our product candidates include paltusotine (formerly CRN00808), which is in clinical development for the treatment of acromegaly and neuroendocrine tumors, or NETs, CRN04777, which is in clinical development for congenital hyperinsulinism, or HI, and CRN04894, which is in clinical development for diseases of excess adrenocorticotrophic hormone, or ACTH, including Cushing's Disease and congenital adrenal hyperplasia, or CAH. We are advancing additional product candidates through preclinical discovery and development studies in parallel. Our vision is to build the leading endocrine company which consistently pioneers new therapeutics to help patients better control their disease and improve their daily lives.

We focus on the discovery and development of oral nonpeptide therapeutics that target peptide GPCRs with well understood biological functions, validated biomarkers and the potential to substantially improve the treatment of endocrine diseases and/or endocrine-related tumors. Our pipeline consists of the following product candidates:

Paltusotine (SST2 Agonist Program)

Paltusotine, our lead product candidate, establishes a new class of oral selective nonpeptide somatostatin receptor type 2, or SST2, agonists designed for the treatment of acromegaly and NETs. Somatostatin is a neuropeptide hormone that broadly inhibits the secretion of other hormones, including growth hormone, or GH, from the pituitary gland. Acromegaly arises from a benign pituitary tumor that secretes excess GH that, in turn, causes excess secretion of insulin-like growth factor-1, or IGF-1, by the liver. This loss of homeostasis in the GH axis results in excess tissue growth and other adverse metabolic effects throughout the body. Approximately 26,000 people in the United States suffer from acromegaly, and depending on surgical success, many are candidates for chronic pharmacological intervention, of which somatostatin peptide analogs are the primary pharmacotherapy. NETs originate from neuroendocrine cells commonly found in the gut, lung or pancreas. Typically, NETs are only diagnosed at a time of extensive metastatic disease and will often progress to liver failure. NETs are present in approximately 171,000 adults in the United States. Of these, approximately 19%, or 33,000 patients, have carcinoid syndrome, which occurs when the tumors secrete hormones or other chemical substances into the bloodstream that cause severe flushing or diarrhea, among other symptoms. While still an orphan disease, NETs are the second most common gastrointestinal malignancy after colon cancer. Most NETs overexpress SST2 receptors and injected depots of peptide somatostatin analogs have become the first-line standard of care for many NETs patients as detailed in National Comprehensive Cancer Network (NCCN) guidelines. In 2021, somatostatin peptide drugs accounted for approximately $3.1 billion in global sales for the treatment of acromegaly, NETs and other uses. These drugs require painful monthly or daily injections and, in the case of somatostatin peptide drugs, often fail to fully control the disease in many acromegaly patients. The FDA has granted orphan drug designation for paltusotine for the treatment of acromegaly.

We are currently conducting a Phase 3 development program for paltusotine in acromegaly which consists of two placebo-controlled clinical trials. The first of these, the PATHFNDR-1 trial, is designed as a double-blind, placebo-controlled, nine-month clinical trial of paltusotine in acromegaly patients with average IGF-1 levels less than or equal to 1.0 times the upper limit of normal, or ULN, and who are on stable doses of somatostatin receptor ligand monotherapy (octreotide LAR or lanreotide depot). If successful, we believe the PATHFNDR-1 study could support registration of paltusotine for acromegaly patients switching from other therapies. We are also conducting a second study, the PATHFNDR-2 trial, which is designed as a double-blind, placebo-controlled, six-month clinical trial of acromegaly patients with elevated IGF-1 levels. We believe that, if successful, the results from the PATHFNDR-2 trial could support a more expansive registration of paltusotine for untreated acromegaly patients who require pharmacotherapy. The primary endpoint of both PATHFNDR studies will be the proportion of patients with IGF-1 $\leq 1.0 \times$ ULN at the end of the treatment period on paltusotine as compared to placebo. We expect topline data from both studies in 2023. We believe that, if successful, the two trials could support registration of paltusotine for all acromegaly patients who require pharmacotherapy, including untreated patients and those switching from other therapies.

We are also conducting a Phase 2 trial with paltusotine in patients with NETs complicated by carcinoid syndrome.

In February 2022, we entered into a license agreement with Sanwa Kagaku Kenkyusho Co., Ltd., or Sanwa, pursuant to which Sanwa has the exclusive right to develop and commercialize paltusotine in Japan, or the Sanwa License.

CRN04777 (SST5 Agonist)

CRN04777 is our investigational, oral, nonpeptide somatostatin receptor type 5, or SST5, agonist designed for the treatment of congenital hyperinsulinism, or HI. Congenital HI is a devastating rare genetic disease associated with dysregulated insulin production, in which excess insulin produces life-threatening hypoglycemia (low blood glucose) beginning at birth. This loss of homeostatic control of blood glucose levels can lead to seizures, developmental disorders, learning disabilities, coma and even death. Congenital HI occurs in approximately 1 in 25,000 to 50,000 new births in the United States. We have completed a double-blind, randomized, placebo-controlled Phase 1 study of CRN04777 in healthy volunteers to assess the safety and tolerability of single and multiple doses of CRN04777. In addition, the study was designed to evaluate the potential mechanism of action of CRN04777 by measuring the suppression of insulin secretion in healthy volunteers following stimulation with either glucose or a sulfonylurea, agents that increase the secretion of insulin. We announced positive topline data from the single ascending dose, or SAD, cohorts in September 2021 and announced positive topline data from the multiple ascending dose, or MAD, cohorts in March 2022. We believe CRN04777 demonstrated pharmacologic proof-of-concept, based on potent suppression of stimulated insulin observed in these subjects. The plasma exposure of CRN04777 suggested the drug was well absorbed with a half-life of approximately 40 hours, which we believe supports the potential for once daily administration in patients. All adverse events were considered mild or moderate and there were no serious adverse events. CRN04777 was well tolerated at single and multiple doses from 0.5 mg up to 120 mg and exhibited dose-proportional pharmacokinetics for the same dose range. A dose-dependent reduction in glucose-induced insulin secretion was demonstrated with an intravenous glucose tolerance test in the SAD cohorts and a dose-dependent reversal of sulfonylurea-induced insulin secretion was seen in both the SAD and MAD cohorts. The sulfonylurea-induced insulin secretion model represents a pharmacologic analog of the hyperinsulinism that the patients experience. We are preparing for regulatory interactions to discuss the design of the Phase 2 clinical study we plan to initiate in the second half of 2022.

The FDA has granted rare pediatric disease designation for CRN04777 for the treatment of congenital HI. In addition, the European Medicines Agency, or EMA, has granted orphan drug designation for CRN04777 for the treatment of congenital HI. We also expect CRN04777 can be broadly developed for the treatment of other diseases characterized by excess insulin secretion, including forms of syndromic hyperinsulinism. Rather than being caused by a single gene mutation confined to the pancreatic beta-cell, syndromic HI may occur as part of a constellation of clinical findings in diseases where genetic mutations have pleiotropic effects outside of the beta-cell. Sotos syndrome, Beckwith Wiedemann syndrome, Kabuki syndrome and Turner's syndrome are examples of disorders from which many patients suffer from HI. Because of SST5's role as a critical downstream regulator of insulin secretion, we believe patients with these syndromes have the potential to respond to the SST5 agonism.

CRN04894 (ACTH Antagonist)

CRN04894 is our investigational, oral, nonpeptide product candidate designed to antagonize ACTH, intended for the treatment of diseases caused by excess ACTH, including Cushing's disease and CAH. Cushing's disease results from a pituitary tumor that secretes excess ACTH which, in turn, causes the downstream synthesis and over-secretion of cortisol by the adrenal glands. Cortisol is the body's main stress hormone and excess amounts can cause significant increases in mortality and morbidity. CAH encompasses a set of disorders that are caused by genetic mutations that result in impaired cortisol synthesis. A lack of cortisol leads to a loss of feedback mechanisms and results in persistently high levels of ACTH, which, in turn, causes overstimulation of the adrenal cortex. The resulting adrenal hyperplasia and over-secretion of other steroids (particularly androgens) and steroid precursors can lead to a variety of effects from improper gonadal development to life-threatening dysregulation of mineralocorticoids. We are currently conducting a double-blind, randomized, placebo-controlled Phase 1 study of CRN04894 in healthy volunteers to assess the safety and tolerability of single and multiple doses of CRN04894. In addition, the study is designed to measure the effect of CRN04894 on suppression of cortisol, cortisol precursors, and adrenal androgens following exogenous ACTH stimulation. In August 2021, we announced positive topline data from the SAD cohorts of the Phase 1 study. CRN04894 was well tolerated and demonstrated dose-dependent increases in

CRN04894 plasma concentrations as well as reductions of both basal cortisol and elevated cortisol following an ACTH challenge. All adverse events reported through the SAD cohorts were considered mild and there were no serious adverse events. The MAD portion of the Phase 1 study is ongoing and topline data are expected in the second quarter of 2022. If these data are positive, we plan to prepare for regulatory interactions to discuss the design of the clinical studies we plan to initiate in the second half of 2022.

Parathyroid Hormone Antagonist

We are developing antagonists of the parathyroid hormone, or PTH, receptor for the treatment of primary hyperparathyroidism, or PHPT and humoral hypercalcemia of malignancy, or HHM, and other diseases of excess PTH. PTH regulates calcium and phosphate homeostasis in bone and kidney through activation of its receptor, PTHR1. Increased activation of PTHR1, either via PTH or PTH-related peptide (PTHrP, PTHLH) can lead to skeletal, renal, gastrointestinal, and neurological problems. Primary hyperparathyroidism arises from a small, benign tumor on one or more of the parathyroid glands, which results in over-secretion of PTH, leading to increased blood calcium levels, or hypercalcemia. Some patients experience no symptoms, and many can have surgery to remove the tumor and/or hyperactive gland(s), while some require management with medical therapy. Symptomatic PHPT is characterized by skeletal, renal, gastrointestinal, and neurological manifestations with increased mortality. HHM typically arises in patients with advanced-stage cancers. In cases of HHM, over-secretion of PTHrP caused by the malignant tumor results in bone resorption and calcium reabsorption in the kidney, leading to hypercalcemia. We have identified investigational, orally available nonpeptide PTH antagonists that showed activity and drug-like properties in preclinical models. We are evaluating a subset of molecules to identify potential development candidates that we believe are suitable for evaluation in human clinical trials.

Radionetics Oncology, Inc.

On October 18, 2021, we, together with 5AM Ventures and Frazier Healthcare Partners, announced the formation of Radionetics Oncology, Inc., or Radionetics. Radionetics aims to develop a deep pipeline of novel, targeted, nonpeptide radiopharmaceuticals for the treatment of a broad range of oncology indications. In connection with the formation of Radionetics, we entered into a Collaboration and License Agreement with Radionetics, or the Radionetics License, granting Radionetics an exclusive world-wide license to our technology for the development of radiotherapeutics and related radio-imaging agents in exchange for a majority equity stake in Radionetics, a warrant to obtain additional shares of common stock of Radionetics, potential sales milestones in excess of $1.0 billion and single-digit royalties on net sales.

Research Discovery

Patients with many other debilitating endocrine diseases await new therapeutic options, and we are continuously evaluating where to next deploy our drug discovery efforts. We plan to continue our drug discovery efforts and leverage our expertise in the evaluation of additional conditions including nonfunctional pituitary adenomas and polycystic kidney disease, among other indications. All of our product candidates have been discovered, characterized and developed internally and are the subject of composition of matter patent applications. Other than the Sanwa License with respect to the exclusive right to develop and commercialize paltusotine in Japan and the Radionetics License with respect to the exclusive right to our radiotherapeutics technology, we have retained worldwide rights to commercialize our product candidates and do not have any royalty obligations.

Australian operations

In January 2017, we established Crinetics Australia Pty Ltd, or CAPL, a wholly-owned subsidiary which was formed to conduct various preclinical and clinical activities for our product and development candidates. We believe CAPL will be eligible for certain financial incentives made available by the Australian government for research and development expenses. Specifically, the Australian Taxation Office provides for a refundable tax credit in the form of a cash refund equal to 43.5% of qualified research and development expenditures under the Australian Research and Development Tax Incentive Program, or the Australian Tax Incentive, to Australian companies that operate the majority of their research and development activities associated with such projects in Australia. A wholly-owned Australian subsidiary of a non-Australian parent company is eligible to receive the refundable tax credit, provided that the Australian subsidiary retains the rights to the data and intellectual property generated in Australia, and provided that the total revenues of the parent company and its consolidated subsidiaries during the period for which the refundable tax credit is claimed are less than $20.0 million Australian dollars. If we lose our ability to operate CAPL in Australia, or if we are ineligible or unable to receive the research and development tax credit, or the Australian government significantly reduces or eliminates the tax credit, the actual refund amounts we receive may differ from our estimates.

COVID-19

As we continue to actively advance our programs, we are in close contact with our principal investigators and clinical sites and continue to assess any impacts of the ongoing COVID-19 global pandemic on our drug manufacturing, nonclinical activities, and clinical trials, expected timelines, and costs on an ongoing basis. In light of the COVID-19 pandemic, and consistent with the FDA's updated industry guidance for conducting clinical trials issued on March 18, 2020, and updated most recently on January 27, 2021, clinical trials may be deprioritized in favor of treating patients who have contracted the virus or to prevent the spread of the virus. The direct and indirect impacts of COVID-19 on our business could alter our forecasted timelines. We will continue to evaluate the impact of the COVID-19 pandemic on our business.

Financial operations overview

To date, we have devoted substantially all of our resources to drug discovery, conducting preclinical studies and clinical trials, obtaining and maintaining patents related to our product candidates, and the provision of general and administrative support for these operations. We have recognized revenues from various research and development grants and license and collaboration agreements, but do not have any products approved for sale and have not generated any product sales. We have funded our operations primarily through our grant and license revenues, the private placement of preferred stock, and sales of our common stock. As of March 31, 2022, we had unrestricted cash, cash equivalents, and investment securities of $319.7 million. On April 18, 2022, we completed a public offering of 5,625,563 shares of common stock at a price of $22.22 per share and raised net proceeds of approximately $117.3 million, after deducting underwriting discounts and commissions and estimated offering expenses.

We have incurred cumulative net losses since our inception and, as of March 31, 2022, we had an accumulated deficit of $309.9 million. Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing of our clinical trials and preclinical studies and our expenditures on other research and development activities. We expect our expenses and operating losses will increase substantially as we conduct our ongoing and planned clinical trials, continue our research and development activities and conduct preclinical studies, hire additional personnel, protect our intellectual property and incur costs associated with being a public company, including audit, legal, regulatory, and tax-related services associated with maintaining compliance with exchange listing and Securities and Exchange Commission, or SEC, requirements, director and officer insurance premiums, and investor relations costs.

We do not expect to generate any revenues from product sales unless and until we successfully complete development and obtain regulatory approval for one or more of our product candidates, which we expect will take a number of years. If we obtain regulatory approval for any of our product candidates, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution. Accordingly, until such time as we can generate significant revenue from sales of our product candidates, if ever, we expect to finance our cash needs through equity offerings, debt financings or other capital sources, including potentially, collaborations, licenses and other similar arrangements. However, we may be unable to raise additional funds or enter into such other arrangements when needed on favorable terms or at all. Our failure to raise capital or enter into such other arrangements when needed would have a negative impact on our financial condition and could force us to delay, scale back or discontinue the development of our existing product candidates or our efforts to expand our product pipeline.

Revenues

To date, all of our revenue has been derived from grant awards and licenses. As our data exchange performance obligation under the Sanwa License is fulfilled, we expect to recognize as revenues the deferred revenue amounts in the accompanying condensed consolidated balance sheets as of March 31, 2022. We will recognize royalty and milestone revenues under our license agreements if and when appropriate under the relevant accounting rules (see Note 8 to our condensed consolidated financial statements).We have not generated any revenues from the commercial sale of approved products, and we do not expect to generate revenues from the commercial sale of our product candidates for at least the foreseeable future, if ever.

License revenues

License revenues in 2021 were derived from the majority equity stake obtained in Radionetics pursuant to a Collaboration and License Agreement, under which Radionetics was granted an exclusive world-wide license to our radiotherapeutics technology platform and associated intellectual property for the development of radiotherapeutics and related radio-imaging agents.

License revenues for 2022 were derived from the Sanwa License, under which Sanwa was granted the exclusive right to develop and commercialize paltusotine in Japan.

Research and development

To date, our research and development expenses have related primarily to discovery efforts and preclinical and clinical development of our product candidates. Research and development expenses are recognized as incurred and payments made prior to the receipt of goods or services to be used in research and development are capitalized until the goods or services are received.

Research and development expenses include:

- salaries, payroll taxes, employee benefits, and stock-based compensation charges for those individuals involved in research and development efforts;
- external research and development expenses incurred under agreements with contract research organizations, or CROs, investigative sites and consultants to conduct our clinical trials and preclinical and nonclinical studies;
- costs related to manufacturing our product candidates for clinical trials and preclinical studies, including fees paid to third-party manufacturers;
- costs related to compliance with regulatory requirements;
- laboratory supplies; and
- facilities, depreciation and other allocated expenses for rent, facilities maintenance, insurance, equipment and other supplies.

We recognize the Australian Tax Incentive as a reduction of research and development expense. The amounts are determined based on eligible research and development expenditures. The Australian Tax Incentive is recognized when there is reasonable assurance that the Australian Tax Incentive will be received, the relevant expenditure has been incurred, and the amount of the Australian Tax Incentive can be reliably measured.

Our direct research and development expenses consist principally of external costs, such as fees paid to CROs, investigative sites and consultants in connection with our clinical trials, preclinical and non-clinical studies, and costs related to manufacturing clinical trial materials. The majority of our third-party expenses during 2022 and 2021 related to the research and development of paltusotine, CRN04777, and CRN04894. We deploy our personnel and facility related resources across all of our research and development activities.

Our clinical development costs may vary significantly based on factors such as:

- per patient trial costs;
- the number of trials required for approval;
- the number of sites included in the trials;
- the countries in which the trials are conducted;
- the length of time required to enroll eligible patients;
- the number of patients that participate in the trials;
- number of doses that patients receive;
- drop-out or discontinuation rates of patients;
- potential additional safety monitoring requested by regulatory agencies;
- the duration of patient participation in the trials and follow-up;
- the cost and timing of manufacturing our product candidates;
- the phase of development of our product candidates; and
- the efficacy and safety profile of our product candidates.

We plan to substantially increase our research and development expenses for the foreseeable future as we continue the development of our product candidates and the discovery of new product candidates. We cannot determine with certainty the timing of initiation, the duration or the completion costs of current or future preclinical studies and clinical trials of our product candidates due to the inherently unpredictable nature of preclinical and clinical development. Clinical and preclinical development timelines, the probability of success and development costs can differ materially from expectations. We anticipate that we will make determinations as to which product candidates to pursue and how much funding to direct to each product candidate on an ongoing basis in response to the results of ongoing and future preclinical studies and clinical trials, regulatory developments and our ongoing assessments as to each product candidate's commercial potential. We will need to raise substantial additional capital in the future. In addition, we cannot forecast which product candidates may be subject to future collaborations, when such arrangements will be secured, if at all, and to what degree such arrangements would affect our development plans and capital requirements.

General and administrative

General and administrative expenses consist primarily of salaries and employee-related costs, including stock-based compensation, for personnel in executive, finance and other administrative functions. Other significant costs include facility-related costs, legal fees relating to intellectual property and corporate matters, professional fees for accounting and consulting services, insurance costs, and commercial planning expenses. We currently file and maintain patent applications, and incur associated costs, covering the compounds in our lead product candidates in the United States, Europe, Japan, China, South Korea, Australia, Canada, Israel, Mexico, Taiwan, Brazil, India, Eurasia, New Zealand, Ukraine, Indonesia, Singapore, and South Africa, and certain candidates in Hong Kong, Malaysia, Philippines, Thailand, Vietnam, Chile, Colombia, Argentina, Peru, Venezuela, and Egypt. We anticipate that our general and administrative expenses will increase in the future to support our continued research and development activities and, if any of our product candidates receive marketing approval, commercialization activities. We also anticipate increased expenses related to audit, legal, regulatory, and tax-related services associated with maintaining compliance with exchange listing and SEC requirements, director and officer insurance premiums, and investor relations costs associated with operating as a public company.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which we have prepared in accordance with U.S. generally accepted accounting principles. The preparation of these condensed consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses and the disclosure of contingent assets and liabilities at the date of our condensed consolidated financial statements. On an ongoing basis, we evaluate our estimates and judgments, including those related to accrued expenses and stock-based compensation. We base our estimates on historical experience, known trends and events, and on various other factors that we believe are reasonable under the circumstances at the time the estimates are made, the results of which form the basis for making

judgments about the book values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Our critical accounting policies are those accounting principles generally accepted in the United States that require us to make subjective estimates and judgments about matters that are uncertain and are likely to have a material impact on our financial condition and results of operations, as well as the specific manner in which we apply those principles. For a description of our critical accounting policies, please see the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Significant Judgments and Estimates" contained in our Annual Report on Form 10-K for the year ended December 31, 2021. Other than those changes discussed below made in connection with the Sanwa License during the three months ended March 31, 2022, there have not been any material changes to the critical accounting policies discussed therein during the three months ended March 31, 2022.

We have generated revenue from licensing arrangements. We recognize revenues when, or as, the promised goods or services are transferred to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those services. To determine revenue recognition for licensing arrangements, we performs the following five steps: (1) identify the contract(s) with a customer; (2) identify the performance obligation(s) in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligation(s) in the contract; and (5) recognize revenue when (or as) the performance obligation(s) are satisfied. At contract inception, we assess the goods or services promised within each contract, assess whether each promised good or service is distinct and identify those that are performance obligations. We recognize as revenue the amount of the transaction price that is allocated to the respective performance obligation when, or as, the performance obligation is satisfied.

We have entered into licensing and collaboration agreements that mainly include the following: (i) upfront considerations; (ii) payments associated with achieving certain milestones; and (iii) royalties based on specified percentages of net product sales, if any. At the initiation of an agreement, we analyze each unit of account within the contract to determine if the counterparty is a customer in the context of the unit of account.

We consider a variety of factors in determining the appropriate estimates and assumptions under the arrangements, such as whether the elements are distinct performance obligations, whether there are observable standalone prices, and whether the license is functional or symbolic. We evaluate each performance obligation to determine if it can be satisfied and recognized as revenue at a point in time or over time.

At the inception of arrangements that include variable consideration, we use judgment to estimate the amount of variable consideration to include in the transaction price using the most likely method. If it is probable that a significant revenue reversal will not occur, the estimated amount is included in the transaction price. Milestone payments that are not within our or the licensee's control, such as regulatory approvals, are not included in the transaction price until those approvals are received. At the end of each reporting period, we re-evaluate estimated variable consideration included in the transaction price and any related constraint and, as necessary, adjust the estimate of the overall transaction price. Any adjustments will be recorded on a cumulative catch-up basis, which would affect revenues and earnings in the period of adjustment.

We develop estimates of the standalone selling price for each distinct performance obligation. Variable consideration that relates specifically to efforts to satisfy specific performance obligations is allocated entirely to those performance obligations. Other components of the transaction price are allocated based on the relative standalone selling price, over which we have applied significant judgment. We develop assumptions that require judgment to determine the standalone selling price for license-related performance obligations under the adjusted market assessment approach, which may include forecasted revenues, development timelines, discount rates and probabilities of success. We estimated the standalone selling price for the data exchange performance obligation by forecasting the expected costs of satisfying a performance obligation plus a predetermined margin.

In the case of a license that is a distinct performance obligation, we recognize revenue allocated to the license from non-refundable, up-front fees at the point in time when the license is transferred to the licensee and the licensee can use and benefit from the license. For licenses that are bundled with other distinct or combined obligations, we use judgment to assess the nature of the performance obligation to determine whether the performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue. If the performance obligation is satisfied over time, we evaluate the measure of progress each reporting period and, if necessary, adjust the measure of performance and related revenue recognition.

The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. Revenue is recorded proportionally as costs are incurred. We have used the cost-to-cost measure of progress because it best depicts the transfer of control to the customer which occurs as we incur costs. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation, which is considered an input method. We use judgment to estimate the total cost of these performance obligations, which include subcontractors' costs, labor, materials, other direct costs and an allocation of indirect costs. We evaluate these cost estimates and the progress each reporting period and, as necessary, we adjust the measure of progress and related revenue recognition.

Sales-based milestones and royalties are recognized at the later of when the subsequent sale or usage occurs or the performance obligation for which some or all of the sales-based milestones and royalties have been allocated to has been satisfied or partially satisfied.

Although we do not expect our estimates to be materially different, if our estimates of the expected total costs and timing of certain activities differ from the actual status and timing of those activities, it could result in us reporting license revenues related to the data exchange that are too high or too low in any particular period.

Estimating the standalone selling price of the license performance obligation is affected by assumptions regarding a number of variables discussed above. While not expected, material changes in these initial assumptions can affect the value of license revenues. These inputs are subjective and generally require significant analysis and judgment to develop.

Results of Operations

Comparison of the three months ended March 31, 2022 and 2021

The following table summarizes our results of operations for the three months ended March 31, 2022 and 2021 (*in thousands*):

	Three months ended March 31,		Dollar
	2022	2021	Change
License revenues	$ 3,131	$ —	$ 3,131
Operating expenses:			
Research and development	28,252	17,584	10,668
General and administrative	8,706	5,334	3,372
Total operating expenses	36,958	22,918	14,040
Loss from operations	(33,827)	(22,918)	(10,909)
Other income (expense), net	210	17	193
Loss before equity method investment	(33,617)	(22,901)	(10,716)
Loss on equity method investment	(1,010)	—	(1,010)
Net loss	$ (34,627)	$ (22,901)	$ (11,726)

License revenues. License revenues relate to the Sanwa License and totaled $3.1 million for the three months ended March 31, 2022. There were no license revenues during the three months ended March 31, 2021.

Research and development expenses. Research and development expenses were $28.3 million and $17.6 million for the three months ended March 31, 2022 and 2021, respectively. The increase was primarily due to an increase in personnel costs of $3.0 million (which includes $1.4 million of stock-based compensation), increased spending on manufacturing and development activities of $7.0 million associated with our clinical and nonclinical activities for paltusotine and our other clinical and preclinical programs, and increased consulting and outside services of $0.7 million.

General and administrative expenses. General and administrative expenses were $8.7 million and $5.3 million for the three months ended March 31, 2022 and 2021, respectively. The increase was primarily due to an increase in personnel costs of $2.1 million (which includes $1.0 million of stock-based compensation), increase in legal and professional services expenses of $0.2 million, increase in consulting and outside services of $0.9 million and increased other corporate expenditures of $0.1 million.

Other income (expense). Other income (expense), net was $0.2 million and $17,000 for the three months ended March 31, 2022 and 2021, respectively. The increase was primarily due to income generated by our investment securities portfolio.

Loss on equity method investment. Loss on equity method investment was $1.0 million for the three months ended March 31, 2022, as a result of our share of loss in Radionetics' net loss. As the Radionetics investment was recorded in the fourth quarter of the year ended December 31, 2021, there was no loss on equity method investment during the three months ended March 31, 2021.

Cash Flows

We have incurred cumulative net losses and negative cash flows from operations since our inception and anticipate we will continue to incur net losses for the foreseeable future. As of March 31, 2022, we had unrestricted cash, cash equivalents and investment securities of $319.7 million and an accumulated deficit of $309.9 million.

The following table provides information regarding our cash flows for the three months ended March 31, 2022 and 2021 (*in thousands*):

	Three months ended March 31,	
	2022	2021
Net cash used in operating activities	$ (13,543)	$ (20,067)
Net cash (used in) provided by investing activities	(43,384)	32,502
Net cash provided by financing activities	1,780	57
Net change in cash, cash equivalents and restricted cash	$ (55,147)	$ 12,492

Operating Activities. Net cash used in operating activities was $13.5 million and $20.1 million for the three months ended March 31, 2022 and 2021, respectively. The decrease in cash used in operations was primarily attributable to the $13.0 million upfront payment received upon the execution of the Sanwa License in February 2022, of which $3.1 million was recognized as license revenues during the three months ended March 31, 2022, offset by development and manufacturing activities associated with paltusotine and our other clinical and preclinical programs, and higher personnel costs. The net cash used in operating activities during the three months ended March 31, 2022 was primarily due to our net loss of $34.6 million adjusted for $7.4 million of noncash charges, primarily for stock-based compensation and loss on the investment in Radionetics, and a $13.7 million change in operating assets and liabilities. Net cash used in operating activities during the three months ended March 31, 2021 was primarily due to our net loss of $22.9 million, adjusted for $3.8 million of noncash charges, primarily for stock-based compensation and depreciation, and a ($1.0 million) change in operating assets and liabilities.

Investing activities. Investing activities consist primarily of purchases and maturities of investment securities and, to a lesser extent, the cash outflow associated with purchases of property and equipment. Such activities resulted in a net outflow of funds of approximately $43.4 million during the first three months of 2022, compared to net inflow of funds of approximately $32.5 million during the comparable period of 2021.

Financing activities. Net cash provided by financing activities was $1.8 million and $57,000 for the three months ended March 31, 2022 and 2021, respectively. The net cash provided by financing activities during 2022 and 2021 resulted from the exercise of stock options.

Liquidity and Capital Resources

We believe that our existing capital resources, together with investment income, will be sufficient to satisfy our current and projected funding requirements for at least the next twelve months. However, our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement that involves risks and uncertainties, and actual results could vary materially. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we expect. Additionally, the process of testing product candidates in clinical trials is costly, and the timing of progress and expenses in these trials is uncertain.

Our future capital requirements will depend on many factors, including:

- the type, number, scope, progress, expansions, results, costs and timing of, our preclinical studies and clinical trials of our product candidates which we are pursuing or may choose to pursue in the future;
- the costs and timing of manufacturing for our product candidates, including commercial manufacturing if any product candidate is approved;
- the costs, timing and outcome of regulatory review of our product candidates;
- the costs of obtaining, maintaining and enforcing our patents and other intellectual property rights;
- our efforts to enhance operational systems and hire additional personnel to satisfy our obligations as a public company, including enhanced internal controls over financial reporting;
- the costs associated with hiring additional personnel and consultants as our preclinical and clinical activities increase;
- the timing and the extent of any Australian Tax Incentive refund and future grant revenues that we receive;
- the costs and timing of establishing or securing sales and marketing capabilities if any product candidate is approved;
- our ability to achieve sufficient market acceptance, adequate coverage and reimbursement from third-party payors and adequate market share and revenue for any approved products;
- the terms and timing of establishing and maintaining collaborations, licenses and other similar arrangements;
- costs associated with any products or technologies that we may in-license or acquire;
- the funding of any co-development arrangements we enter into; and
- our ability to participate in future equity offerings by Radionetics, including our option to exercise our warrant for the purchase of Radionetics stock.

Until such time, if ever, as we can generate substantial product revenues to support our cost structure, we expect to finance our cash needs through equity offerings, debt financings or other capital sources, including potentially collaborations, licenses and other similar

arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be or could be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise funds through collaborations, licenses and other similar arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us and/or may reduce the value of our common stock. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market our product candidates even if we would otherwise prefer to develop and market such product candidates ourselves.

In August 2019, we entered into a Sales Agreement, or the Sales Agreement, with SVB Leerink LLC and Cantor Fitzgerald & Co., or collectively, the Sales Agents, under which we may, from time to time, sell shares of our common stock having an aggregate offering price of up to $75.0 million through the Sales Agents, or the ATM Offering. Sales of our common stock made pursuant to the Sales Agreement will be made directly on or through the Nasdaq Global Select Market under our effective shelf Registration Statement on Form S-3 filed on August 19, 2019 by means of ordinary brokers' transactions at market prices. Additionally, under the terms of the Sales Agreement, we may also sell shares of our common stock through the Sales Agents, on the Nasdaq Global Select Market or otherwise, at negotiated prices or at prices related to the prevailing market price. We are not obligated to, and we cannot provide any assurances that we will continue to, make any sales of the shares under the Sales Agreement. The Sales Agreement may be terminated by either Sales Agent (with respect to itself) or us at any time upon 10 days' notice to the other parties, or by either Sales Agent, with respect to itself, at any time in certain circumstances, including the occurrence of a material adverse change. We will pay the Sales Agents a commission for their services in acting as agent in the sale of common stock in an amount equal to 3% of the gross sales price per share sold. During 2020, we issued 275,764 shares of common stock in the ATM Offering for net proceeds of $6.4 million, after deducting commissions. No shares were issued under the ATM Offering during the three months ended March 31, 2022.

On April 12, 2021, we completed an underwritten follow-on offering of 4,562,044 shares of our common stock at a price to the public of $16.44 per share. Proceeds from the offering were approximately $72.6 million, net of underwriting discounts and commissions and offering costs of $2.4 million.

On July 28, 2021, we entered into a stock purchase agreement for the private placement of 851,306 shares of our common stock at a price of $17.62 per share, or the Private Placement, which shares were issued on July 30, 2021. The Private Placement yielded net proceeds of $15.0 million.

On August 10, 2021, we filed a universal shelf registration statement with the SEC for the future sale of an unlimited amount of common stock, preferred stock, debt securities, depositary shares, warrants and rights, and the resale of up to 851,306 shares by the investor who purchased shares in the Private Placement. The securities may be offered from time to time, separately or together, directly by us, by selling security holders, or through underwriters, dealers or agents at amounts, prices, interest rates and other terms to be determined at the time of the offering.

On October 21, 2021, we completed an underwritten follow-on offering of 8,712,400 shares of our common stock at a price to the public of $19.80 per share. Proceeds from the offering were approximately $162.0 million, net of underwriting discounts and commissions and offering costs of $10.5 million.

On April 18, 2022, we completed an underwritten follow-on offering of 5,625,563 shares of our common stock at a price to the public of $22.22 per share. Net proceeds from the offering were approximately $117.3 million, after underwriting discounts and commissions and estimated offering costs of approximately $7.7 million.

The Company has no material off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

Our cash, cash equivalents and investment securities consist of cash held in readily available checking and money market accounts as well as short-term debt securities. We are exposed to market risk related to fluctuations in interest rates and market prices. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of United States interest rates. However, because of the short-term nature of the instruments in our portfolio, a sudden change in market interest rates would not be expected to have a material impact on our financial condition or results of operations.

Foreign Currency

We contract with vendors, CROs and investigational sites in several foreign countries, including countries in South America, Europe and the Asia Pacific. We are therefore subject to fluctuations in foreign currency rates in connection with these agreements. We do not hedge our foreign currency exchange rate risk. To date, we have not incurred any material adverse effects from foreign currency changes on these contracts.

In January 2017, we formed CAPL, a wholly-owned subsidiary in Australia, which exposes us to foreign currency exchange rate risk. The functional currency of CAPL is the United States dollar. Assets and liabilities of our foreign subsidiary that are not denominated in the functional currency are remeasured into U.S. dollars at foreign currency exchange rates in effect at the balance sheet date except for nonmonetary assets and capital accounts, which are remeasured at historical foreign currency exchange rates in effect at the date of transaction. Expenses are generally remeasured at foreign currency exchange rates which approximate average rates in effect during each period. Net realized and unrealized gains and losses from foreign currency transactions and remeasurement are reported in other income (expense), net, in the condensed consolidated statements of operations and totaled approximately $17,000 and $24,000 for the three months ended March 31, 2022 and 2021, respectively.

As of March 31, 2022, the impact of a theoretical 10% change in the exchange rate of the Australian dollar would not result in a material gain or loss. To date, we have not hedged exposures denominated in foreign currencies.

Inflation Risk

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We do not believe that inflation has had a material effect on our results of operations for the periods presented.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports 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 chief executive officer and chief financial officer, as appropriate, to allow for timely decisions regarding required 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 assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. In addition, the design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

As required by SEC Rule 13a-15(b), we carried out an evaluation, under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of March 31, 2022 at the reasonable assurance level.

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently a party to any material legal proceedings. From time to time, we may be involved in legal proceedings or subject to claims incident to the ordinary course of business. Regardless of the outcome, such proceedings or claims can have an adverse impact on us because of defense and settlement costs, diversion of resources and other factors, and there can be no assurances that favorable outcomes will be obtained.

Item 1A. Risk Factors

There have been no material changes to the risk factors set forth in Part II, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation	8-K	001-38583	3.1	7/20/2018	
3.2	Amended and Restated Bylaws	8-K	001-38583	3.1	4/14/2020	
4.1	Specimen Stock Certificate Evidencing the Shares of Common Stock	S-1/A	333-225824	4.1	7/9/2018	
4.2	Amended and Restated Investor Rights Agreement, dated February 9, 2018, as amended, by and among the Registrant and certain of its stockholders	S-1	333-225824	4.2	6/22/2018	
10.1#	Employment Agreement, effective as of February 16, 2022, by and between James Hassard and the Registrant	10-K	001-38583	10.20	3/30/2022	
10.2†	License Agreement, dated as of February 25, 2022, by and between Sanwa Kagaku Kenkyusho Co., Ltd. and the Registrant					X
10.3#	Consulting Agreement, dated as of April 1, 2022, by and between Ajay Madan and the Registrant					X
31.1	Certification of Chief Executive Officer pursuant to Rule 13(a)-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002					X
31.2	Certification of Chief Financial Officer pursuant to Rule 13(a)-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002					X
32.1*	Certification of Chief Executive Officer and Chief Financial Officer pursuant 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002					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 Document.					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					X
101.PRE	Inline XBRL Taxonomy Extension Presentation 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 in compliance with Regulation S-K Item(b)(10)(iv).
# Indicates management contract or compensatory plan.

* The certification attached as Exhibit 32.1 that accompanies this Quarterly Report on Form 10-Q is not deemed filed with the SEC and is not to be incorporated by reference into any filing of Crinetics Pharmaceuticals, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Crinetics Pharmaceuticals, Inc.

Date: May 12, 2022

By: /s/ R. Scott Struthers, Ph.D.

R. Scott Struthers, Ph.D.

President and Chief Executive Officer
(Principal executive officer)

Date: May 12, 2022

By: /s/ Marc J.S. Wilson

Marc J.S. Wilson

Chief Financial Officer
(Principal financial and accounting officer)

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE CRINETICS PHARMACEUTICALS, INC. HAS DETERMINED THE INFORMATION (I) IS NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO CRINETICS PHARMACEUTICALS, INC. IF PUBLICLY DISCLOSED.

Exhibit 10.2

LICENSE AGREEMENT

This License Agreement (this "**Agreement**") is made as of February 25, 2022 (the "**Effective Date**"), by and between CRINETICS PHARMACEUTICALS, INC., a corporation organized and existing under the laws of the State of Delaware, U.S.A. having a registered address at 10222 Barnes Canyon Road, Building 2, San Diego, CA 92121 U.S.A. ("**Crinetics**"), and SANWA KAGAKU KENKYUSHO CO., LTD., having a place of business at 35 Higashisotobori-cho, Higashi-ku, Nagoya, Aichi 461-8631 Japan ("**SKK**"). Crinetics and SKK are referred to in this Agreement individually as a "**Party**" and collectively as the "**Parties**".

RECITALS

WHEREAS, Crinetics is a pharmaceutical company that has developed the proprietary chemical-based drug, paltusotine, for the treatment of acromegaly and neuroendocrine tumors along with certain patents and know-how, and Crinetics is seeking a partner for the commercialization of the Licensed Product in the Field in the Territory;

WHEREAS, SKK is a company engaged in the research, development and commercialization of pharmaceutical and medical devices and products in the Territory; and

WHEREAS, SKK wishes to obtain from Crinetics an exclusive license to develop and commercialize the Licensed Product in the Field in the Territory, and Crinetics is willing to grant such a license to SKK, all in accordance with the terms and subject to the conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and the covenants contained herein, the receipt and sufficiency of which are acknowledged, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

The terms of this Agreement with the initial letters capitalized, whether used in the singular or plural, shall have the meanings set forth below or, if not listed below, the meaning designated in places throughout this Agreement.

1.1 "***Affiliate***" means with respect to either one of the Parties, any person, firm, trust, corporation or other entity or combination thereof which directly or indirectly (a) controls said Party, (b) is controlled by said Party, (c) is under common control with said Party, or (d) which is de facto controlled by or is under common de facto control with, or which de facto controls, said Party; the terms "control" and "controlled" meaning ownership of more than fifty percent (50%), including ownership by trusts with substantially the same beneficial interests, of the voting and equity rights of such person, firm, trust, corporation or other entity or combination thereof or the power to direct the management of such person, firm, trust, corporation or other entity or combination thereof.

1.2 "***Annual Net Sales***" means total Net Sales in a particular Annual Period.

1.3 "***Annual Period***" means each successive twelve (12) month period (a) first commencing on the first day of the month in which the First Commercial Sale of a Licensed Product occurs and (b) thereafter commencing on the anniversary of such day.

1.4 "***API***" means an active pharmaceutical ingredient.

1.5 "***Applicable Laws***" means collectively (i) all laws, regulations, ordinances, decrees, judicial and administrative orders (and any license, franchise, permit or similar right granted under any of the foregoing), guidelines (including Guideline for Sales Information Provision issued by MHLW, guidance, recommendations and any policies and other requirements of any applicable Governmental Authority and (ii) industry rules (including Promotion Code for Prescription Drugs issued by Japan Pharmaceutical Manufacturers Association) that govern or otherwise apply to a Party's activities in connection with this Agreement.

1.6 "***Business Day***" means a day (other than a Saturday or a Sunday) day on which banking institutions in the San Diego, CA, U.S. and Tokyo, Japan are generally open for business.

1.7 "***Calendar Year***" means each 12-month period commencing on January 1.

1.8 "***cGMP***" means the then-current good manufacturing standards, practices and procedures promulgated or endorsed by the applicable Regulatory Authorities in the Territory, as they may be updated from time to time, including applicable quality guidelines promulgated under the ICH.

1.9 "***Change of Control***" means, with respect to a Party, an event or transaction or series of events or transactions by which: (a) any Third Party (or group of Third Parties acting in concert) becomes the beneficial owner, directly or indirectly, of more than fifty percent (50%) of the outstanding securities of such Party or the total voting power of such securities entitled to vote in elections of directors; (b) (i) such Party reorganizes, consolidates or comes under common control with, or merges into another Third Party entity, or (ii) any Third Party entity reorganizes, consolidates or comes under common control with, or merges into such Party, in either event of the foregoing ((i) or (ii)) where more than fifty percent (50%) of the total voting power of the securities outstanding of the surviving entity entitled to vote in elections of directors is not held by the parties holding more than fifty percent (50%) of the outstanding shares of such Party immediately preceding such reorganization, consolidation or merger; (c) such Party conveys, transfers or leases to a Third Party (x) all or substantially all of its assets or the control thereof, or (y) all or substantially all of its assets or business relating to this Agreement or the control thereof; or (d) any other arrangement whereby a Third Party (or group of Third Parties acting in concert) obtains control or the right to control the board of directors or equivalent governing body that has the ability to cause the direction of the management, policies or affairs of such Party.

1.10 "***Clinical Trial***" means any clinical trial in humans that is designed to generate data in support or maintenance of the Regulatory Approval(s), or any post-approval clinical trial in humans.

1.11 "***Commercialization***" or "***Commercialize***" means all activities directed to marketing, promoting, advertising, exhibiting, distributing, importing, packaging, labeling, detailing, selling (and offering for sale or contracting to sell) or otherwise commercially exploiting (including pricing and reimbursement activities) a Licensed Product in the Field in the Territory (including importing and exporting activities within the Territory in connection therewith). Commercialization shall exclude Development and manufacturing activities (including manufacturing activities related to Commercialization).

1.12 "***Commercially Reasonable Efforts***" means the performance of obligations or tasks in a manner consistent with the reasonable practices of companies in the pharmaceutical industries having similar financial resources allocated for the development and commercialization of a product having similar technical and regulatory factors and similar market potential, profit potential and strategic value, and that is at a similar stage in its development or product life cycle as the Licensed Product. Without limiting the

foregoing, Commercially Reasonable Efforts requires that a Party: (i) timely assign responsibility for such development and commercialization activities to specific employees, contractors, agents, or Affiliates, as applicable, who are held accountable for progress with respect to such activities, (ii) monitor such progress on an on-going basis, (iii) set and seek to achieve objectives and timelines for carrying out such development and commercialization activities, and (iv) allocate reasonable resources designed to advance progress with respect to such objectives and timelines.

1.13 "***Compound***" means the compound having the international non-proprietary name of paltusotine.

1.14 "***Confidential Information***" of a Party means, subject to Section 9.1, all Know-How, unpublished patent applications and other non-public information and data of a financial, commercial, business, operational or technical nature of such Party that is disclosed by or on behalf of such Party or any of its Affiliates or otherwise made available to the other Party or any of its Affiliates, in each case in connection with this Agreement or the CONFIDENTIAL DISCLOSURE AGREEMENT between the Parties dated June 15, 2020 ("**Prior CDA**"), whether made available orally, visually, in writing or in electronic form.

1.15 "***Control***" or "***Controlled***" means the possession by a Party (whether by ownership, license or otherwise) of (a) with respect to any tangible Know-How, the legal authority or right to physical possession of such tangible Know-How, with the right to provide such tangible Know-How to the other Party on the terms and conditions set forth herein, or (b) with respect to Patents, intangible Know-How or other intellectual property rights, the legal authority or right to grant a license, sublicense, access or right to use (as applicable) under such Patents, intangible Know-How or other intellectual property rights to the other Party on the terms and conditions set forth herein, in each case of (a) and (b), without breaching the terms of any agreement with a Third Party in existence as of the time such Party or its Affiliates would first be required hereunder to grant the other Party such access, right to use or (sub)license or incurring any additional fee or charge.

1.16 "***Cover***" means, with respect to a Patent, a Valid Claim of such Patent would (absent a license thereunder or ownership thereof) be infringed (as if issued with respect to any Valid Claim that is not issued) by the manufacture, use, sale or importation of the applicable product. Cognates of the word "Cover" shall have correlative meanings.

1.17 "***Develop***" or "***Development***" or "***Developing***" or "***Developmental***" means all development activities for any Licensed Product that are directed to obtaining Regulatory Approval(s) of such Licensed Product within the Territory and to support appropriate usage for such Licensed Product in the Field, including: all clinical activities, testing and studies of such Licensed Product; safety, tolerability and pharmacological studies conducted in connection with the Clinical Trials of such Licensed Product; distribution of such Licensed Product for use in Clinical Trials (including placebos and comparators); statistical analyses; the preparation, filing and prosecution of any application for Regulatory Approval for such Licensed Product in the Territory, with respect to Development activities conducted under the Development Plan; development activities conducted after receipt of Regulatory Approval that are required or requested in writing by a Regulatory Authority as a condition of, or in connection with, obtaining or maintaining a Regulatory Approval; and pharmacoeconomic studies relating to the Indications for which the applicable Licensed Product is being developed; in each case above, including investigator- or institution-sponsored studies for which a Party is providing material or assistance or otherwise has written obligations to such investigator or institution; and all regulatory activities related to any of the foregoing; provided, however, that Development shall exclude Commercialization and manufacturing activities (including manufacturing activities related to Development).

1.18 "***Dollar***" or "***$***" means the U.S. dollar which is the lawful currency of the U.S., and "$" shall be interpreted accordingly.

1.19 "***Entity***" means a partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, incorporated association, joint venture or similar entity or organization.

1.20 "***Exchange Rate***" means the central rate between the Dollar and the relevant other currency published by Bank of Japan or any successor thereto on a specified reference date. If Bank of Japan does not publish a central rate between the Dollar and such other currency on the relevant reference date, the Exchange Rate as of the next date of such a publication shall apply.

1.21 "***Exploit***" means to Develop, use, offer for sale, sell, distribute, import and otherwise Commercialize.

1.22 "***Field***" means treatment or prevention of all Indications in humans.

1.23 "***First Commercial Sale***" means, with respect to any Licensed Product in the Territory the first sale of such Licensed Product to a Third Party for distribution, use or consumption after Regulatory Approvals, as applicable, have been obtained for such Licensed Product.

1.24 "***First Indication***" means acromegaly. For avoidance of doubt, First Indication includes treatment of patients with acromegaly for purposes of maintenance or patients that are newly diagnosed.

1.25 "***GCP***" means the then-current good clinical standards, practices and procedures promulgated or endorsed by the applicable Regulatory Authorities in the Territory, as they may be updated from time to time, including applicable quality guidelines promulgated under the ICH.

1.26 "***Generic Competition***" with respect to a Licensed Product in the Territory shall be deemed to commence only if: (a) one or more Generic Version(s) are being marketed for an approved Indication of such Licensed Product in the Territory; and (b) such Generic Version(s) represent a total unit volume of at least ten percent (10%) of the combined unit volume of such Licensed Product and such Generic Version(s) for all Indications, in the aggregate, in the Territory for the two (2) preceding calendar quarters, determined by the number of prescriptions given for such Licensed Product and such Generic Version(s) for all Indications, in the aggregate, during such two (2) preceding calendar quarters (as measured by IQVIA of Durham, NC, U.S.A. or if IQVIA data is not available, data from another independent source mutually agreed by the Parties), and SKK reasonably determines that it is not likely to recover such lost market share.

1.27 "***Generic Version***" shall mean a non-proprietary product that: (i) uses the API(s) identical to the Licensed Product; (ii) obtained Regulatory Approval in the Territory solely by means of establishing equivalence to such Licensed Product; and (iii) is legally marketed in the Territory by an entity other than SKK, its Affiliates or its Sublicensees.

1.28 *"**Global Commercialization Strategy***" means a written document prepared by Crinetics or its designee describing the global strategy for Commercialization of the Licensed Products in the Field worldwide, including with respect to positioning, value proposition and communications with respect thereto with Third Party payors, messaging, brand vision, and other key tactics with respect to Commercialization of Licensed Products.

1.29 "***GLP***" means the then-current good laboratory practice standards promulgated or endorsed by applicable Regulatory Authorities in the Territory, as may be updated from time to time, including applicable quality guidelines promulgated under the ICH.

1.30 "***Governmental Authority***" means any federal, state, national, state, provincial or local government, or political subdivision thereof, or any multinational organization or any authority, agency or commission entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power, or any court or tribunal (or any department, bureau or division thereof, or any governmental arbitrator or arbitral body).

1.31 "***ICH***" means International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use.

1.32 "***IND***" shall mean an investigational new drug application, clinical study application, or similar application or submission filed with or submitted to any Regulatory Authority in any jurisdiction.

1.33 "***Indications***" means First Indication and Second Indication.

1.34 "***Invention***" means any information, discovery, improvement, modification, process, method, design, protocol, formula, data, invention, algorithm, forecast, profile, strategy, plan, result, know-how and trade secret, patentable or otherwise, that is discovered, generated, conceived or reduced to practice by or on behalf of either Party (including by its Affiliates, employees, agents or contractors), whether solely or jointly, in the course of the performance of this Agreement, including all rights, title and interest in and to the intellectual property rights therein and thereto.

1.35 "***JPY***" means Japanese Yen which is the lawful currency of Japan.

1.36 "***Know-How***" means any non-public information, including discoveries, improvements, modifications, processes, methods, assays, designs, protocols, SOPs, formulas, data, inventions, algorithms, forecasts, profiles, strategies, plans, results, know-how and trade secrets (in each case, patentable, copyrightable or otherwise), but excluding any intellectual property rights under Patents and physical substances.

1.37 "***Knowledge***" means, with respect to a Party, the knowledge as of the Effective Date of such Party's chief executive officer, chief financial officer, chief medical officer, chief development officer, chief operating officer, vice-presidents, general counsel, head(s) of department(s) in charge of intellectual property and any other person holding positions equivalent to such job titles, in each case after an inquiry to the foregoing personnel's direct reports.

1.38 "***Licensed IP***" means Licensed Know-How and Licensed Patents.

1.39 "***Licensed Know-How***" means all Know-How, both tangible and intangible, Controlled by Crinetics and its Affiliates as of the Effective Date or at any time during the Term that is necessary or actually used by Crinetics to Exploit or, in case SKK has manufactured Licensed Product in the Territory pursuant to Section 6.1(e), manufacture the Licensed Product in the Field in the Territory (subject to Sections 12.7 and 12.8).

1.40 "***Licensed Patents***" means the Principal Licensed Patents and all other Patents, in each case, that Crinetics or any of its Affiliates Controls as of the Effective Date or at any time during the Term that Covers a Licensed Product in the Field in the Territory (subject to Sections 12.7 and 12.8).

1.41 "***Licensed Product***" means Compound, (a) in Spray-Dried Dispersion (SDD) tablet formulation existing as of the Effective Date, (b) in a high dose level Spray-Dried Dispersion (SDD) tablet formulation in development by Crinetics as of the Effective Date, and (c) in any all other formulations containing the Compound as an API, whether alone or in combination with any other API(s) within such formulation, that are included by mutual agreement of the Parties pursuant to Section 2.3.

1.42 "***Licensee***" means any Third Party that Crinetics or its Affiliate has granted a right to Commercialize Licensed Products in the Field outside the Territory, excluding any Third Party solely engaged in the wholesale, reselling, or distribution of Licensed Products and does not market or promote the Licensed Product.

1.43 "***MA***" means the marketing authorization, but excluding pricing approvals.

1.44 "***MHLW***" means the Ministry of Health, Labour and Welfare in the Territory.

1.45 "***NDA***" means a new drug application or any other application to the appropriate Regulatory Authority for the Licensed Product, but excluding pricing approvals.

1.46 "***Net Sales***" means the gross amounts billed or invoiced by SKK, its Affiliates or their respective sublicensees (each, a "**Selling Party**") for sales of the Licensed Product to Third Parties, less the reasonable and customary deductions allowed to a Third Party customer by the Selling Party with respect to such sales for the following: [***].

1.47 *"**NHI Reimbursement Price**"* means the price for the Licensed Product as determined by the Minister of the MHLW for reimbursement under the national health insurance system operated by the MHLW and listed on the drug price list (*yakka-kijun*).

1.48 "***Patents***" means issued patents, utility models and designs, their applications and their equivalents in any jurisdictions, including divisions, extensions, renewals, and any other derivative rights thereof.

1.49 "***Person***" means any individual, unincorporated organization or association, governmental authority or agency or Entity.

1.50 "***Phase 1 Study***" shall mean any human clinical trial, the principal purpose of which is a determination of metabolism, pharmacokinetics and/or preliminary safety in healthy individuals or patients with the disease being studied, all in accordance with the trial protocol.

1.51 "***Phase 2 Study***" shall mean any human clinical trial conducted on patients with the disease or condition being studied, the principal purpose of which is to determine (i) preliminary evidence of efficacy and safety and/or (ii) selection of the dose or dose range to be studied in a subsequent Clinical Trial for such product, all in accordance with the trial protocol.

1.52 "***Phase 2/3 Study***" shall mean any Phase 2 Study that includes a cohort of patients that would satisfy the requirement for a Phase 3 Study or would otherwise be sufficient for filing an NDA.

1.53 "***Phase 3 Study***" shall mean a human clinical trial, the principal purpose of which is to establish safety and efficacy in patients with the disease being studied and which is designed and intended to serve as a pivotal study to support the filing of an NDA for the indication being studied, all in accordance with the trial protocol. If Regulatory Approval (excluding any pricing and reimbursement approvals) may

be obtained in the Territory on the basis of a clinical trial, such clinical trial shall be deemed a Phase 3 Study.

1.54 "***PPI***" means the Producer Price Index (Pharmaceutical preparation manufacturing 325412), published by the U.S. Department of Labor, Bureau of Labor Statistics.

1.55 "***Principal Licensed Patents***" means the Patents set forth in **Exhibit 1.55**.

1.56 "***Regulatory Approval***" means, with respect to a Licensed Product in the Territory, all permits, approvals (including, but not limited to, MA, supplements, amendments, and pre- and post-approvals, including pricing and reimbursement approvals), licenses, registrations and authorizations that are necessary for the commercial sale of such Licensed Product for use in the Field in the Territory.

1.57 "***Regulatory Authority***" means any applicable Governmental Authority responsible for granting Regulatory Approvals or any pricing or reimbursement approvals, as applicable, for Licensed Product in the Territory, or outside the Territory, as applicable, including, but not limited to, MHLW and the Pharmaceuticals and Medical Devices Agency.

1.58 "***Regulatory Submissions***" means any filing, application or submission with or to any Regulatory Authority, including authorizations, approvals or clearances arising from the foregoing, including Regulatory Approvals and any pricing or reimbursement approvals, as applicable, and all correspondence or communication with or from the relevant Regulatory Authority, as well as minutes of any material meetings, telephone conferences or discussions with the relevant Regulatory Authority, in each case, with respect to a Licensed Product.

1.59 "***Second Indication***" means neuroendocrine tumors. For avoidance of doubt, the Second Indication includes the treatment of patients with carcinoid syndrome associated with gastroenteropancreatic neuroendocrine tumors (GEP-NETs) or to improve progression-free survival of patients with GEP-NETs.

1.60 "***Sublicensee***" means any Third Party that SKK or its Affiliate has granted a right to Commercialize Licensed Products in the Field in the Territory, excluding any Third Party solely engaged in the wholesale, reselling, or distribution of Licensed Products and does not market or promote the Licensed Product.

1.61 "***Tax***" or "***Taxes***" means any present or future taxes, levies, imposts, duties, charges, assessments or fees of any nature (including any interest thereon). For the avoidance of doubt, Taxes include value add taxes ("**VAT**").

1.62 "***Territory***" means Japan.

1.63 "***Third Party***" means any Person other than a Party or an Affiliate of a Party.

1.64 "***U.S.***" means the United States of America.

1.65 "***Valid Claim***" means: a claim in an issued or pending Patent that has not: (i) expired or been canceled; (ii) been declared invalid by an unreversed and unappealable or unappealed decision of a court or other appropriate body of competent jurisdiction; (iii) been admitted to be invalid or unenforceable through reissue, disclaimer or otherwise; or (iv) been abandoned in accordance with or as permitted by the terms of this Agreement or by written agreement of the Parties.

1.66 Additional Definitions: The following table identifies the location of definitions set forth in various Sections of the Agreement:

Defined Terms	**Section**
Acquisition	12.8
Agreement	Preamble
Alliance Manager	3.1
Claims	11.1
Clinical Supply Agreement	6.3
CMO	6.1(d)
CMO Supply Agreement	6.1(d)
CMO Quality Agreement	5.3(c)
Committee	3.1
Competing Product	2.4(a)
Competing Program	2.4(b)
Crinetics	Preamble
Crinetics Indemnitee(s)	11.1
Development Plan	4.1(a)
Development Timeline	4.2(a)

Defined Terms	Section
Disclosing Party	9.1(a)
Dispute	14.1
Effective Date	Preamble
Enforcement Action	12.5(b)
Executive Officers	14.2
First Party	5.5
Generally Applicable Inventions	12.2
ICC	14.3
IIT Guidelines	3.3(b)
Indemnified Party	11.3
Indemnifying Party	11.3
Initial Term	13.1
Inventory	13.7(b)
JCC	3.1
JCC Matter(s)	3.4(b)
JDC	3.1
JDC Matter(s)	3.3(b)
Joint Inventions	12.2
JSC	3.1
JSC Matter(s)	3.2(b)
License	2.1(a)
Losses	11.1
Manufacturing and Supply Agreement	6.2(a)
New Technology	12.7(b)
Negotiation Period	2.4(b)
Party or Parties	Preamble
PMD Act	5.3(c)
Prior CDA	1.14
Product Materials	13.7(c)(v)
Product-Related Inventions	12.2
Product-Specific Inventions	12.2
Program Interest Notice	2.4(b)
Program Notice	2.4(b)
Prosecution and Maintenance / Prosecute and Maintain	12.4(a)
Receiving Party	9.1(a)
Representatives	9.1(c)
Safety Data Exchange and Pharmacovigilance Agreement	5.7

Defined Terms	Section
Selling Party	1.46
SKK	Preamble
SKK Commercialization Plan	7.1
SKK Indemnitee(s)	11.2
SKK Third Party Agreements	13.7(d)
SKK's Data	4.3(b)
SKK's Trademarks	7.4(b)
SST2 Agonist	2.4(a)
Term	13.1
Third Party Infringement	12.5(a)
VAT	1.61
Wind-Down Period	13.7(c)(iii)
Withholding Tax	8.10(b)

ARTICLE 2
LICENSE

2.1 License Grants to SKK.

(a) Subject to the terms and conditions of this Agreement, Crinetics hereby grants to SKK an exclusive (even as to Crinetics), milestone-bearing and royalty-bearing license, with the right to grant sublicenses solely in accordance with Section 2.2, under the Licensed IP, to Exploit the Licensed Product in the Field in the Territory (the "**License**").

(b) Subject to Section 2.1(c), the License shall be effective during the Term and SKK shall have the exclusive right to Exploit the Licensed Product in the Territory, and Crinetics shall not, and shall ensure that its Affiliates or Licensees are bound by a written agreement not to Develop, manufacture or have manufactured, distribute, use, sell, offer for sale, import, or otherwise Commercialize any Licensed Product in the Field in the Territory.

(c) Notwithstanding the exclusivity of the License granted in Sections 2.1(a) and 2.1(b), Crinetics retains the right to use, practice and otherwise Exploit any of the Licensed IP for the purposes of (i) manufacturing or having manufactured the Compound and Licensed Product within the Territory, for purposes of selling Compound or Licensed Product to SKK or Exploiting the Compound and Licensed Product outside of the Territory or exporting Compound or Licensed Product from the Territory to destinations outside the Territory, and (ii) performing the Crinetics' obligations under this Agreement or the Manufacturing and Supply Agreement.

2.2 Right to Sublicense. [***].

2.3 Life Cycle Extensions. [***].

2.4 Non-Compete; Program Notice.

(a) During the Term, SKK shall not, and shall ensure that its Affiliates and Sublicensees hereunder do not, directly or indirectly, develop, manufacture, distribute, use, sell, offer for sale, import or otherwise commercialize any pharmaceutical product (i) that competes with the Licensed Product in the Field (a "**Competing Product**") in the Territory or (ii) that is a somatostatin receptor type 2 agonist ("**SST2 Agonist**"), in each case (i) and (ii), other than a Licensed Product under and in accordance with the terms of this Agreement. Notwithstanding the preceding sentence in this Section 2.4, SUZUKEN CO., LTD. (which is the 100% parent company of SKK) or any Entity controlled (as defined in Section 1.1) by SUZUKEN CO., LTD. (other than SKK and Affiliates controlled (as defined in Section 1.1) by SKK) may market, promote, perform activities or process for commercial use, sell or distribute any Competing Products or SST2 Agonist solely as a wholesaler of such Competing Products or SST2 Agonist, solely under company brands and brand names of Third Parties, and not under any license or right to the Licensed IP.

(b) [***].

2.5 Initial Data/Document Transfer. After the Effective Date, Crinetics shall provide SKK with complete and accurate copies of the Licensed Know-How through each relevant Committee (as defined Section 3.1).

ARTICLE 3
GOVERNANCE

3.1 Alliance Managers. Each Party shall appoint an individual to act as its alliance manager under this Agreement as soon as practicable after the Effective Date (each, an "**Alliance Manager**"). The Alliance Managers shall: (a) serve as the primary points of contact between the Parties for the purpose of providing the other Party with information on the progress of a Party's activities under this Agreement; (b) be responsible for facilitating the flow of information and otherwise promoting communication, coordination and collaboration between the Parties, provided that all communications between the Parties shall be in English; (c) facilitate the prompt resolution of any disputes; and(d) attend, as non-voting participants, joint steering committee (the "**JSC**") meetings, joint development committee ("**JDC**") meetings, and joint commercialization committee meetings ("**JCC**") (each, a "**Committee**") meetings and subcommittee meetings. An Alliance Manager may also bring any matter to the attention of a Committee if such Alliance Manager reasonably believes that such matter warrants such attention. Each Party may replace its Alliance Manager at any time upon written notice to the other Party.

3.2 Joint Steering Committee.

(a) Formation. Within one (1) month from the Effective Date, the Parties shall establish the JSC to coordinate the Development, launch and Commercialization of Licensed Product in the Field in the Territory. [***].

(b) Role. The JSC shall be responsible for setting the overall strategic direction relating to the Development, manufacture and Commercialization activities with respect to Compounds and Licensed Products in the Field in the Territory. [***].

3.3 Joint Development Committee.

(a) Formation. Within one (1) month from the Effective Date, the Parties shall establish the JDC to coordinate and oversee the Development of Licensed Product in the Field in the Territory. [***].

(b) Role. The JDC shall be responsible for coordinating, reviewing and approving plans for, and monitoring: (i) the Development activities, (ii) protocols for all Clinical Trials that are necessary to obtain the MA in the Territory or that are otherwise conducted by or under the control of SKK which, for the avoidance of doubt, do not include any investigator initiated trials conducted after First Commercial Sale of Licensed Product in the Territory in which SKK is not involved in protocol design or development or supplying Licensed Product, and (iii) Regulatory Approvals, in each case (i-iii), with respect to Compounds and Licensed Products in the Field in the Territory. [***].

3.4 Joint Commercialization Committee.

(a) Formation. No later than twelve (12) months prior to the anticipated commercial launch of the first Licensed Product in the Field in the Territory, the Parties shall establish the JCC to coordinate and oversee the Commercialization of Licensed Product in the Field in the Territory. [***].

(b) Role. The JCC shall be responsible for coordinating, reviewing and approving plans for, and monitoring the Commercialization activities with respect to Compounds and Licensed Products in the Field in the Territory. [***].

3.5 Committees

(a) Limitation of Authority. Each Committee and subcommittee shall only have the powers expressly assigned to it in this ARTICLE 3 and elsewhere in this Agreement and shall not have the authority to: (i) modify or amend the terms and conditions of this Agreement; (ii) waive either Party's compliance with the terms and conditions of this Agreement; or (iii) determine any issue in a manner that would conflict with the express terms and conditions of this Agreement.

(b) Meetings. [***].

(c) Non-Member Attendance. Each Party may from time to time invite a reasonable number of participants, in addition to its representatives, to attend the Committee meetings in a non-voting capacity; provided that if either Party intends to have any Third Party (including any consultant) attend such a meeting, such Party will provide prior written notice to the other Party. Such Party will also ensure that such Third Party is bound by confidentiality and non-use obligations consistent with the terms of this Agreement.

(d) Decision-Making. [***].

(e) Discontinuation of the JSC. [***].

ARTICLE 4
DEVELOPMENT

4.1 Diligence and Responsibilities.

(a) SKK shall be solely responsible for the Development of the Licensed Product for the purpose of obtaining and maintaining the Regulatory Approval of the Licensed Product in the Field in the Territory, at its own cost and expense. SKK shall use Commercially Reasonable Efforts to Develop, obtain and maintain Regulatory Approval for the Licensed Product in the Territory, and in order to facilitate the Development, Crinetics shall use Commercially Reasonable Efforts to provide SKK with all reasonable assistance and take all actions reasonably requested by SKK pursuant to Section 4.1(c). SKK shall be responsible for and use Commercially Reasonable Efforts to conduct the Clinical Trials and non-clinical studies to obtain the Regulatory Approval of Licensed Product in the Field in the Territory in accordance

with the written development plan for Licensed Product in the Field in the Territory ("**Development Plan**"), which shall contain in reasonable detail all major Development activities (including Clinical Trial) for Licensed Product in the Field in the Territory and the timelines for achieving such activities. [***].

(b) Each Party shall conduct all development activities with respect to Compounds and Licensed Products in the Field in the Territory in compliance with Applicable Laws, including GCPs, GLPs and cGMPs, that must be complied with in order for SKK to obtain the MA in the Field in the Territory, the IIT Guidelines and the applicable Development Plan. Notwithstanding anything to the contrary in this Agreement, neither Party shall be obligated to undertake or continue any activity under a Development Plan or otherwise with respect to Compounds and Licensed Products to the extent: (a) such Party reasonably determines that performance of such activity would violate Applicable Law; or (b) with respect to any Clinical Trial of a Licensed Product conducted by such Party, (i) a Regulatory Authority or independent safety data review board for such Clinical Trial has required or recommended termination or suspension of such Clinical Trial or (ii) such Party believes in good faith that termination or suspension of such Clinical Trial is warranted because of safety or tolerability risks or the lack of suitable risk benefit ratio to the study subjects. In addition, (c) SKK shall not be obligated to undertake or continue any activity under a Development Plan with respect to the First Indication if, prior to obtaining Regulatory Approval for an indication within or that includes the First Indication, Crinetics ceases or suspends the development in the Field for the First Indication outside the Territory for a period of six (6) months, and (d) SKK shall not be obligated to undertake or continue any activity under a Development Plan for an indication within the Indication for which both Parties agree after good faith consultation, that, as a result of the communication with the Regulatory Authorities relating to the Licensed Product in the Territory, it is practically difficult to obtain the MA in the Field in the Territory for such indication even if SKK continues any Development activity under a Development Plan for such indication. In the event that either Party determines not to undertake or continue any Development activity under a Development Plan pursuant to (a) to (d) above, such Party shall promptly notify the other Party of such determination, and shall use Commercially Reasonable Efforts to notify and consult with the other Party prior to making such determination. For the avoidance of doubt, SKK shall not be required under this Agreement to conduct any development activities with respect to Compounds or Licensed Products specifically directed to outside the Field or outside of the Territory. For avoidance of doubt, the preceding sentence shall not alleviate SKK of obligations with respect to safety reporting or compliance with Applicable Laws.

(c) Each Party shall use Commercially Reasonable Efforts to provide the other Party with all reasonable assistance and take all actions reasonably requested by such other Party that are necessary or used to enable the other Party to comply with the terms and conditions of this Agreement.

4.2 Development Target Timeline.

(a) Each Party shall use Commercially Reasonable Efforts to conduct Development of Licensed Product for the First Indication in accordance with the target timeline set forth in **Exhibit 4.2(a)** ("**Development Timeline**") and allocated to such Party. If the SKK or Crinetics cannot achieve any particular event allocated to it by the applicable deadline set forth in the Development Timeline despite using Commercially Reasonable Efforts, then at SKK's or Crinetics's request, the Parties shall discuss an appropriate amendment to the Development Timeline.

(b) Within twelve (12) months after the Effective Date, Crinetics shall provide SKK with Crinetics's draft of the Development Plan and the target timeline for Development of Licensed Product for the Second Indication. SKK shall propose a Development Plan and Development Timeline for the Second Indication to the JDC within six (6) months after receiving such draft.

4.3 Data Exchange and Use.

(a) Crinetics shall (i)(A) promptly provide SKK with copies of any and all data and results of Clinical Trials and non-clinical studies, including safety information, and their reasonable supporting documentation (e.g. protocols, case report forms, analysis plans and communications with the Regulatory Authorities (both the communication in writing and minutes of any material meetings, telephone conferences or discussions with the relevant Regulatory Authority) and, to the extent requested by SKK and required to verify the data and results of such Clinical Trials, raw data supporting such data and results) generated or collected by Crinetics or its Affiliates, and (B) use Commercially Reasonable Efforts to provide SKK with copies of any and all data and results of Clinical Trials and non-clinical studies, including safety information, and their reasonable supporting documentation (e.g. protocols, case report forms and analysis plans), with the raw data supporting the documentation, that are generated outside the Territory by its or its Affiliates' Licensees, in each case (A) and (B), in the development of Licensed Product for the Field, and (ii) at any time upon reasonable notice to Crinetics, and during regular business hours, afford SKK (if mutually agreed) or an independent Third Party an opportunity to inspect and audit the result of Clinical Trials and non-clinical studies conducted by Crinetics or its Affiliates as SKK deems reasonably necessary for obtaining a Regulatory Approval for Licensed Product in the Field in the Territory, in each case (i) and (ii), free of charge to the extent Controlled by Crinetics, provided that any reasonable out-of-pocket costs incurred by Crinetics to accommodate any related requests from SKK shall be reimbursed by SKK, the extent and scope of the inspection or audit shall be mutually agreed, Crinetics shall have the right to require that any such inspector or auditor (other than any Regulatory Authority) be bound by reasonable obligations of confidentiality, non-disclosure and non-use prior to commencement of such activities, and any inspections or audits of Third Parties shall be limited to Crinetics' rights to conduct such inspections and audits and subject to coordination with any inspection or audit of such Third Party that is being or may be conducted by Crinetics. Crinetics shall provide SKK with copies of any data and results generated or collected by Crinetics or its Affiliates in the development of Licensed Product for outside the Field, to the extent Controlled by Crinetics, only upon mutual agreement of the Parties. Crinetics shall not provide, nor shall Crinetics be required to provide, SKK with any personal information of the individuals that are subjects of any Clinical Trial of Licensed Product, except to the extent required for Crinetics or SKK, or any of their Affiliates or (sub)licensees to comply with Applicable Law or for patient safety.

(b) SKK shall provide Crinetics with copies of any and all data and results of Clinical Trials and non-clinical studies, including safety information, and their reasonable supporting documentation (e.g. protocols, case report forms and analysis plans and, to the extent requested by Crinetics and required to verify the data and results of such Clinical Trials, raw data supporting such data and results) generated or collected in the Territory by SKK or its Affiliates ("**SKK's Data**"), in the Development of the Licensed Product, in each case free of charge, provided that any reasonable out-of-pocket costs incurred by SKK to accommodate any related requests from Crinetics shall be reimbursed by Crinetics. [***]. SKK shall not provide, nor shall SKK be required to provide, Crinetics with any personal information of the individuals that are subjects of any Clinical Trial of Licensed Product, except to the extent required for Crinetics or SKK, or any of their Affiliates or (sub)licensees to comply with Applicable Law or for patient safety.

(c) Any information or documents exchanged in accordance with Section 4.1 or this Section 4.3 will be provided in its original language in electronic format unless otherwise agreed by the Parties, along with English translation if such translation already exists or an English summary thereof to be provided within thirty (30) days of the other Party's request (which may be extended upon mutual agreement of the Parties which agreement shall not be unreasonably withheld by either Party) if such translation does not exist. Such transfers shall be performed in accordance with Applicable Laws, including those with respect to electronic records transfer, privacy and personal information. The receiving Party shall be solely responsible for additional translation of such information for its or its licensees' use. All title to and ownership of the original information provided by a Party, including copyrights or any other intellectual

property rights to any data or information contained in any documentation provided by such Party, shall solely belong to such Party. The receiving Party shall obtain prior written consent from the disclosing Party for any use of translated information by a Sublicensee (with respect to SKK) or use by a Licensee (with respect to Crinetics), provided that no such consent shall be required of any Licensee of Crinetics if such Licensee has been authorized to use SKK's Data.

4.4 Reports. SKK shall keep Crinetics reasonably informed as to the progress and results of its and its Affiliates' and Sublicensees' work under the Development Plan and otherwise with respect to the Compounds and Licensed Products. Without limiting the foregoing, at each regularly scheduled JSC meeting, SKK shall provide Crinetics with a written report summarizing the Development activities performed since the last JSC meeting and the results thereof. Without limiting the foregoing, such reports shall be reasonably sufficient to enable Crinetics to determine SKK's compliance with its diligence obligations under Sections 4.1 and 4.2(a). Crinetics shall keep SKK reasonably informed as to the progress and results of its and its Affiliates' and Licensees' development with respect to Compounds and Licensed Products in the Field to the extent pertaining to the Development of Licensed Products in the Field in the Territory.

ARTICLE 5
REGULATORY

5.1 Holder of Regulatory Approvals and Regulatory Submissions. SKK shall have the sole right to obtain and maintain all Regulatory Approvals including MA and Regulatory Submission for Licensed Product in the Field in the Territory, subject to Section 5.3.

5.2 SKK's Responsibilities.

(a) SKK shall be responsible, at its own cost and expense, for the conduct of all regulatory activities required to obtain and maintain the Regulatory Approvals for Licensed Product from Regulatory Authorities in the Field in the Territory, subject to Section 5.3.

(b) SKK shall respond to all communications with the Regulatory Authorities in the Territory relating to the Licensed Product in the Field in the Territory, subject to Section 5.3. SKK shall provide Crinetics with Regulatory Submissions which SKK's regulatory experts reasonably determines to be material (including all INDs, NDAs, and MAs) and written communications received from the Regulatory Authorities with respect to such Licensed Product which SKK reasonably determines material, along with English summaries thereof, promptly (in any event within thirty (30) days) after submission of such Regulatory Submission to or receipt of such material written communications from the Regulatory Authorities. SKK's determination of whether any information is material shall be made by SKK's regulatory experts in accordance with any procedures and standards determined by the JDC.

(c) Each Party shall promptly provide the other Party with notice after receiving notice of or requesting any formal meeting or discussion with any Regulatory Authority in the Territory related to any Licensed Product in the Field (and in any event, as soon as practicable, but within three (3) Business Days after such notice or request). SKK shall lead any such meeting or discussion in the Territory (other than to the extent pertaining to manufacture of Compound or Licensed Product). Crinetics or its designee shall have the right, but not the obligation, to attend and participate in such meeting or discussion; provided, however, that SKK shall not be obligated to change or re-schedule any such meeting that does not pertain to the manufacture of Compound or Licensed Product in order to accommodate the schedule of Crinetics's representatives, or to arrange for interpretation. Crinetics shall lead any such meeting or discussion to the extent pertaining to manufacture of Compound or Licensed Product. SKK or its designee may attend and

participate in such meeting or discussion that pertains to the manufacture of Compound or Licensed Product as agreed by the Parties.

(d) SKK shall use Commercially Reasonable Efforts to provide Crinetics with all reasonable assistance and take all actions reasonably requested by Crinetics that are necessary or used to enable Crinetics to comply with ARTICLE 5 of this Agreement.

5.3 Crinetics's Responsibilities.

(a) Upon SKK's reasonable request, Crinetics shall provide SKK with Licensed Know-How or right of reference to such Licensed Know-How which is required by SKK in making Regulatory Submissions and obtaining all necessary Regulatory Approvals and price listing in the Territory.

(b) Crinetics shall provide SKK (i) written communications and (ii) minutes of any material meetings, telephone conferences or discussions, in each case, with the relevant Regulatory Authority outside the Territory, including the U.S. Food and Drug Administration (or successor agency) and the European Medicines Agency (or successor agency), with respect to the Licensed Product in the Field which Crinetics's regulatory experts reasonably determines material, promptly (in any event within thirty (30) days) after receipt of such communications. Crinetics's determination of whether any information is material shall be made by Crinetics's regulatory experts in accordance with any procedures and standards determined by the JDC.

(c) Notwithstanding anything to the contrary in this Agreement, Crinetics shall be responsible for obtaining and maintaining all regulatory approvals relating to the manufacturing of the Licensed Product that are required for SKK to obtain and maintain in the Territory MA for the Licensed Products, including, but not limited to, (i) the registration of the CMOs retained by Crinetics and located outside the territory as accredited overseas manufacturer (Article 13-3 of Pharmaceutical and Medical Device Act of Japan ("**PMD Act**")) and (ii) application and registration of the Compound or the Licensed Products with drug master file (Article 80-6 of PMD Act). Crinetics and SKK shall, and Crinetics shall use good faith efforts to facilitate its CMO to, execute quality agreements that are required for compliance with Applicable Law in the Territory with respect to Compound and/or Licensed Products (each, a "**CMO Quality Agreement**"), with Crinetics controlling the relationship with such CMO regarding Compounds and Licensed Products. Such CMO Quality Agreements shall be 3 party agreements between SKK, Crinetics, and such CMO, except to the extent that it is required by Applicable Law in the Territory that such CMO Quality Agreement be a 2 party agreement between SKK and such CMO (without including Crinetics as a party thereto).

(d) Crinetics shall use Commercially Reasonable Efforts to provide SKK with all reasonable assistance and take all actions reasonably requested by SKK that are necessary or used to enable SKK to comply with ARTICLE 5 of this Agreement.

5.4 Right of Reference. Each Party hereby grants to the other Party the right of reference to all Regulatory Submissions information in its possession and Control, to the extent such information pertains to Licensed Product in the Field submitted by or on behalf of such Party or its Affiliates in and outside the Territory, solely for purpose of seeking, obtaining and maintaining regulatory approval of Licensed Product in or outside the Territory, provided that for SKK, such right shall be limited to the Field in the Territory. Each Party shall bear its own costs and expenses associated with providing and receiving the foregoing right of reference.

5.5 No Harmful Actions. If a Party (the "**First Party**") believes that the other Party is taking or intends to take any action with respect to the Licensed Product that could have a material adverse impact

upon the regulatory status of the Licensed Product in the Territory (in the case of SKK as the First Party) or outside the Territory (in the case of Crinetics as the First Party), that First Party will have the right to bring the matter to the attention of the JSC and the Parties will discuss in good faith to resolve such concern. Without limiting the foregoing, unless the Parties otherwise agree: (a) the other Party will not communicate with any Regulatory Authority having jurisdiction outside the Territory (in the case of SKK as the other Party) or in the Territory (in the case of Crinetics as the other Party), unless so ordered by such Regulatory Authority or required by Applicable Law, in which case, it will immediately notify the First Party of such order; and (b) the other Party will not submit any Regulatory Submissions or seek regulatory approvals for the Licensed Product outside the Territory (in the case of SKK as the other Party) or in the Territory (in the case of Crinetics as the other Party), provided that the foregoing shall not limit Crinetics's right to communicate with any Regulatory Authority in the Territory or submit Regulatory Submissions in the Territory, in each case pertaining to the manufacture of Compound or Licensed Products.

5.6 Notification of Threatened Action. Each Party will promptly notify the other Party of any information it receives regarding any threatened or pending action, inspection or communication by any Regulatory Authority, which may affect the safety or efficacy claims of any Licensed Product or the continued marketing of any Licensed Product. In any event, SKK shall provide such notice to Crinetics within three (3) Business Days if such information has the potential to impact the safety or efficacy or continued marketing of the Compound (and any product containing the Compound) in the Field in the Territory. Upon receipt of such notice, the Parties will consult with each other regarding any action to be taken in response to such information or whether the other Party needs to be provided additional information with respect to such notice.

5.7 Adverse Event Reporting; Safety Data Exchange and Pharmacovigilance. Within ninety (90) days after the Effective Date, the Parties shall define and finalize the actions that the Parties shall employ with respect to the Licensed Product to protect patients and promote their well-being in a written safety data exchange and pharmacovigilance agreement (the "**Safety Data Exchange and Pharmacovigilance Agreement**") with customary terms and conditions consistent with industry standard practices for the Development and Commercialization of the Licensed Product. The Safety Data Exchange and Pharmacovigilance Agreement shall provide for an adverse event database for the Licensed Product in the Territory to be maintained by SKK at SKK's expense, and a global safety database for the Licensed Product to be maintained by Crinetics at Crinetics's expense. As between the Parties, SKK shall be responsible for preparing all adverse event reports and responses to safety issues and requests of Regulatory Authorities relating to Licensed Product in the Territory. As between the Parties, SKK shall promptly disclose any adverse events and safety data related to the Licensed Product to Crinetics for inclusion in the global safety database. Each Party hereby agrees to comply with its respective obligations under such Safety Data Exchange and Pharmacovigilance Agreement and to cause its Affiliates and (sub)licensees to comply with such obligations.

ARTICLE 6
MANUFACTURING AND SUPPLY

6.1 Manufacturing and Supply.

(a) Crinetics shall be responsible for manufacturing or having manufactured the Licensed Product in bulk and unpackaged form, which may be coated or uncoated, or packaged in bottles for use by SKK in the Field in the Territory. SKK shall specify if Licensed Product will be provided by Crinetics (i) as coated or uncoated tablets and (ii) in bulk and unpackaged form or packaged in bottles. Such specification shall be provided by SKK prior to commencement of manufacturing activities under this Agreement for supply to SKK and in any event promptly after Crinetics's request for instruction. SKK shall be responsible

for any further manufacturing, packaging and labeling such Licensed Product by itself or its subcontractors for use by SKK in the Field in the Territory.

(b) [***].

(c) [***].

(d) Subject to Section 6.1(e) and the terms of the Manufacturing and Supply Agreement and the Clinical Supply Agreement to be entered into between the Parties in accordance with Sections 6.2 and 6.3, SKK shall obtain from Crinetics and Crinetics shall use Commercially Reasonable Efforts to supply, SKK's requirements of the Licensed Product (the form as specified in accordance with Section 6.1(a)) for SKK's Development of Licensed Product in accordance with the Development Plan and Commercialization of the Licensed Product, in each case in the Field in the Territory. Crinetics may have the Licensed Product manufactured and tested by one or more Third Parties pursuant to agreements entered into between Crinetics and such Third Party (each such Third Party, a "**CMO**" and each such agreement, a "**CMO Supply Agreement**"). In addition, Crinetics shall provide to SKK the scope of remedy and details of the remedy, prior to agreeing on such CMO Supply Agreement. [***].

(e) If Crinetics decides to cease manufacturing or having manufactured Licensed Product for delivery to SKK pursuant to Section 6.1(d), Crinetics shall give two (2) year prior written notice thereof to SKK. Upon receiving such prior notice, SKK shall be entitled, at its sole discretion, to request that Crinetics's CMOs manufacture and test the Licensed Product directly for SKK, or SKK may engage other Third Parties to manufacture and test the Licensed Product.

(f) [***].

(g) If, pursuant to Section 6.1(e), SKK will have manufactured Licensed Product in the Territory, Crinetics shall grant SKK a non-exclusive, sublicensable license with the right to grant sublicenses solely in accordance with Section 2.2 without any requirement to pay additional royalty, under the Licensed IP, to have manufactured the Licensed Product for use in the Field in the Territory.

(h) If, after SKK receives from Crinetics a notice cease manufacturing or having manufactured Licensed Product set forth in Section 6.1(e), SKK decides not to exercise its right to have manufactured the Licensed Product, Crinetics and SKK shall discuss in good faith how to ensure that the Licensed Product continues to be supplied to SKK under the terms and conditions of this Agreement, the Manufacturing and Supply Agreement and the Clinical Supply Agreement that is then in effect.

6.2 Manufacturing and Supply Agreement.

(a) Before the anticipated First Commercial Sale of Licensed Product in the Territory, the Parties shall agree on the terms of a commercial manufacturing and supply agreement (the "**Manufacturing and Supply Agreement**") pursuant to which SKK shall purchase commercial supply of the Licensed Product exclusively from Crinetics, which terms shall be consistent with the terms and conditions of this Agreement, to the extent applicable to the commercial supply of Licensed Product in the Field in the Territory. SKK shall exclusively purchase its commercial requirements for Licensed Product in the Territory from Crinetics, and Crinetics shall not by itself or through any of its Affiliates or any Third Party market, distribute and sell the Licensed Product in the Field in the Territory to a Third Party pursuant to the Manufacturing and Supply Agreement.

6.3 Manufacturing and Supply of Licensed Product for Clinical Trials. Prior to commencement of manufacturing the Licensed Product for the Clinical Trials in the Territory, the Parties

shall execute an agreement regarding the clinical manufacturing and supply of the Licensed Product for the Clinical Trials in the Territory specified in the Development Plan ("**Clinical Supply Agreement**") pursuant to which (a) Crinetics shall use Commercially Reasonable Efforts to manufacture (or have any third party sub-contractor manufacture) and supply all quantities of the Licensed Product necessary for the Clinical Trials in the Territory specified in the Development Plan on at least a six (6) month forecasting schedule to be mutually agreed by the Parties, and (b) Crinetics shall report quality information of such Licensed Product, as agreed by the Parties, required for the conduct of Clinical Trials in the Territory specified in the Development Plan.

6.4 Territory-Specific Manufacturing Development Activities. If SKK becomes aware that any modifications to (or additional steps for) the manufacture (but not the packaging or labeling) of the Compound or Licensed Product is required for compliance with Applicable Law in the Territory, the Parties shall discuss in good faith and be decided by the JDC the possibility of SKK engaging other Third Parties to implement such modifications or additional steps. In any event, the costs of implementing any such modifications or additional steps shall be borne by SKK. SKK shall be responsible for implementing any modifications to (or additional steps for) to the packaging or labelling by SKK or its subcontractors of the Licensed Products that are required for compliance with Applicable Law in the Territory, in each case at SKK's expense.

ARTICLE 7
COMMERCIALIZATION

7.1 Commercialization Diligence and Plan. SKK shall have the sole right to undertake and, be solely responsible, at its own cost and expense, for, Commercialization of the Licensed Product that has obtained Regulatory Approval in the Field in the Territory, provided that SKK shall conduct such activities in accordance with the Global Commercialization Strategy provided by Crinetics, except to the extent such activities would be prohibited by any Applicable Laws or not commercially feasible (taking into account the business practices in the Territory), in which case SKK shall propose an adjustment to the Global Commercialization Strategy to be applied in the Field in the Territory, subject to review and approval by the JCC and the JSC, with input from experts in Applicable Laws with respect to the Territory. Following Regulatory Approval of Licensed Product in the Territory, SKK shall use Commercially Reasonable Efforts to market, promote, and sell Licensed Product, and to maximize Net Sales of Licensed Products, in the Field in the Territory in a prompt and expeditious manner. [***]. SKK shall conduct all Commercialization of Licensed Product in the Field in the Territory in accordance with all Applicable Laws. No later than nine (9) months prior to the anticipated First Commercial Sale of Licensed Product in the Territory, SKK shall provide to the JSC for review a written plan for SKK's commercialization of Licensed Products in the Territory in reasonable scope and detail, including the projected launch date for the Licensed Product in the Territory (the "**SKK Commercialization Plan**"). Thereafter, SKK shall provide to the JCC, for its review, an updated version of the SKK Commercialization Plan at least once each calendar year, no later than January 30 each such year. Crinetics, through the JCC at its meetings, shall have a reasonable opportunity to review and approve each SKK Commercialization Plan, and the right to provide comments and suggestions thereon. SKK shall reasonably consider any such comments or suggestions provided by Crinetics and SKK shall promptly respond to any such comments or suggestions. Without limiting the foregoing, SKK shall keep Crinetics reasonably informed as to the progress of the launch and Commercialization activities relating to Licensed Products within the Territory, by way of updates to the JCC at its meetings, and as otherwise reasonably requested by Crinetics.

7.2 Coordination; Promotional Materials. The Parties recognize that each Party may benefit from the coordination of certain Commercialization activities for the Licensed Product in the Territory and outside the Territory. As such, each Party shall use Commercially Reasonable Efforts to coordinate such Commercialization activities through the JSC, as appropriate. Without limiting the generality of the

foregoing, Crinetics shall provide to SKK, as may be mutually agreed by the Parties, copies of any materials prepared by or on behalf of Crinetics that are necessary or reasonably useful in connection with SKK's Commercialization of the Licensed Product in the Field in the Territory (including relevant training materials, global brand and global market research, in each case, with respect to the Licensed Product), and SKK shall promote Licensed Products in a manner consistent with the Global Commercialization Strategy, except to the extent such activities would be prohibited by any Applicable Laws or not commercially feasible (taking into account the business practices in the Territory), in which case SKK shall propose an adjustment to the Global Commercialization Strategy to be applied in the Field in the Territory, subject to review and approval by the JCC and the JSC, with input from experts in Applicable Laws with respect to the Territory and prior to such approval, SKK shall not perform any such promotional activities that are inconsistent with the Global Commercialization Strategy.

7.3 No Diversion. SKK hereby covenants and agrees that it shall not, and shall ensure that its Affiliates and Sublicensees will not, directly or indirectly, promote, market, distribute, import, sell or have sold the Licensed Product, including via internet or mail order, outside of the Field or outside of the Territory. Crinetics hereby covenants and agrees that it shall not, and shall ensure that its Affiliates and Licensees will not, directly or indirectly, promote, market, distribute, import, sell or have sold the Licensed Product, including via internet or mail order, in the Field in the Territory. If either Party receives any order for the Licensed Product from a prospective purchaser reasonably believed to be in violation of the foregoing in this Section 7.3, such Party shall immediately refer that order to the other Party and such Party shall not accept any such orders.

7.4 Product Trademarks.

(a) The JDC shall decide the product names, and JCC shall decide the logos, marks and artworks used for the Commercialization of the Licensed Product (including for its package, inserts, bottle labels, cartons and other contents) in the Field in the Territory. SKK shall have the fully paid-up, royalty-free right to use trademarks or brands owned or Controlled by Crinetics, its Affiliates or any of their Licensees that have been decided at JCC or JDC to be used for the Commercialization of the Licensed Product in the Field in the Territory. SKK shall keep Crinetics reasonably informed of SKK's plans with respect to the use of SKK's Trademarks through the JCC or JDC and otherwise upon Crinetics's request.

(b) SKK shall have the sole right to register and maintain trademarks for the Commercialization of the Licensed Product (including its package, inserts, bottle labels, cartons and other contents) in the Field in the Territory ("**SKK's Trademarks**") at its sole costs and expenses.

(c) Notwithstanding the foregoing, SKK shall use trademarks and otherwise conduct its branding activities with respect to Licensed Products in a manner consistent with the Global Commercialization Strategy, except to the extent such activities would be prohibited by any Applicable Laws or not commercially feasible (taking into account the business practices in the Territory), in which case Crinetics shall specify an adjustment to the Global Commercialization Strategy as Crinetics deems appropriate and prior to such approval, SKK shall not perform any such activities that are inconsistent with the Global Commercialization Strategy.

ARTICLE 8
PAYMENTS

8.1 Upfront Payment. SKK shall pay to Crinetics a one-time, non-refundable, non-creditable upfront payment of thirteen million Dollars ($13,000,000) within thirty (30) days after the Effective Date.

8.2 Developmental Milestone Payments. SKK shall pay to Crinetics the one-time, non-refundable and non-creditable payments set forth in the table below within thirty (30) days after the first achievement of each applicable Developmental milestone event in the Territory, as determined in accordance with Section 8.4 below, as applicable, and receipt of an invoice from Crinetics. For the avoidance of doubt, each Development milestone payment shall be payable only once for each Indication.

(a) For the First Indication

Developmental Milestone Event		Milestone Payment (Dollar)
Milestone I	[***]	[***]
Milestone II	[***]	[***]
Milestone III	[***]	[***]

[***].

(b) For the Second Indication

Developmental Milestone Event		Milestone Payment (Dollar)
Milestone I	[***]	[***]
Milestone II	[***]	[***]

[***].

8.3 Sales Milestone Payments. SKK shall pay Crinetics the one-time, non-creditable milestone payments based on Net Sales of the Licensed Product in the Territory set forth in the table below within thirty (30) days after the first achievement of each applicable sales milestone event in the Territory, as determined in accordance with Section 8.4 below, as applicable, and receipt of an invoice from Crinetics.

Net Sales Milestone events		Milestone Payment (Dollar)
Milestone I	[***]	[***]
Milestone II	[***]	[***]

8.4 Determination That Milestones Have Occurred. SKK shall notify Crinetics in writing of the achievement or occurrence of each milestone event set forth in Sections 8.2 and 8.3 within thirty (30) days after each milestone event is achieved. Any dispute under this Section 8.4 regarding whether or not such milestone event has been achieved shall be subject to resolution in accordance with ARTICLE 14.

8.5 Royalties on Net Sales.

(a) Royalty Rate. Subject to the terms and conditions of this Section 8.5, during the Term after the First Commercial Sale, SKK shall pay to Crinetics running royalties on aggregate Net Sales of all

Licensed Product in the Territory during each Annual Period, as calculated by multiplying the applicable royalty rate by the corresponding amount of incremental Net Sales in the Territory, as follows:

Net Sales of the Licensed Product in the Territory	Royalty Rates (%)
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

[***].

(b) Royalty Reduction for Loss of Exclusivity. [***].

(c) Royalty Reduction for Generic Products. [***].

(d) Blocking Third Party Technology. In the event SKK is required to pay amounts to a Third Party (directly or through reimbursement of Crinetics pursuant to Section 12.7(b)) under agreements for Third Party Patents that are necessarily infringed by the Compound as formulated in the Licensed Product, then SKK may deduct [***].

(e) Flash Sales Reports. As soon as reasonably practicable, but in no event later than the fifth (5th) Business Day after the end of each calendar month, beginning with the first calendar month in which the First Commercial Sale of a Licensed Product occurs, SKK will provide to Crinetics a flash report providing a good faith, non-binding estimate of units of Licensed Product sold, gross sales of Licensed Product, and Net Sales accrued during the respective calendar month, along with forecasted units of Licensed Product sold, gross sales of Licensed Product, Net Sales and royalties for the current calendar quarter.

(f) Royalty Payments; Reports. Royalties under this Section 8.5 shall be calculated and reported for each calendar quarter in each Annual Period and shall be paid within forty-five (45) days after the end of the applicable calendar quarter, commencing with the calendar quarter in which the First Commercial Sale of a Licensed Product occurs. Each payment of royalties shall be accompanied by a true and accurate report setting forth in reasonable detail the information necessary to calculate royalty payments due under this Section 8.5 including (a) units of Licensed Products sold, (b) gross sales of Licensed Product, (c) the amount of Net Sales of Licensed Product, (d) all relevant deductions, credits, and reductions, and (e) relevant exchanges rates used to calculate payments, in each case, with respect to Net Sales by SKK, its Affiliates and Sublicensees within the applicable calendar quarter.

8.6 Payments to Third Parties. Except as expressly set forth herein, each Party shall be solely responsible for any payments due to Third Parties under any agreement entered into by such Party, with respect to the Licensed Product, as a result of activities hereunder.

8.7 Currency. All payments to be made by SKK to Crinetics or Crinetics to SKK under this Agreement shall be made in Dollars by electronic funds transfer in immediately available funds to a bank account designated in writing by Crinetics or SKK, as applicable. If any amount payable in Dollar by SKK to Crinetics under this Agreement is indicated in another currency, the rate of exchange to be used in computing the Dollar equivalent shall be determined and calculated using the Exchange Rate of the last day in each month in the applicable calendar quarter or Calendar Year.

8.8 Foreign Currency Adjustment. If the Exchange Rate as of the date of achievement of each milestone, in the case of milestone payments set forth in Sections 8.2 and 8.3, deviates by ten percent (10%) or more from the Exchange Rate as of February 1, 2022, then 50% of the difference between the amounts of the payment converted into JPY using the Exchange Rate of (x) the date of achievement of the applicable milestone and (y) February 1, 2022, which difference shall be converted into Dollar using the Exchange Rate as of February 1, 2022 and to be rounded to the nearest whole Dollar amount, shall be added to or deducted from the amount of the payment. In this regard, the Parties confirm that the Exchange Rate as of February 1, 2022 was 115.15 JPY to 1 Dollar.

8.9 Financial Records and Audits. During the Term and for five (5) years thereafter, SKK shall maintain complete and accurate records in sufficient detail to permit Crinetics to confirm the accuracy of the amount payable under this Agreement. Upon reasonable prior notice, such records shall be open during regular business hours for a period of seven (7) years from the creation of individual records for examination by an independent certified public accountant selected by Crinetics for the sole purpose of verifying for Crinetics the accuracy of the financial reports furnished by SKK pursuant to this Agreement or of any payments made, or required to be made by SKK, pursuant to this Agreement.

8.10 Taxes.

(a) Taxes on Income. Except as set forth in this Section 8.10, each Party shall be solely responsible for the payment of any and all income Taxes levied on account of all payments it receives under this Agreement.

(b) Withholding Taxes. If SKK is required by Applicable Laws to make any tax deduction, tax withholding or similar payment from any amount paid or payable by SKK to Crinetics (a "**Withholding Tax**") under this Agreement, then in the case of any payments to be made by SKK to Crinetics under this Agreement (including pursuant to Sections 8.1, 8.2, 8.3 and 8.5), SKK shall, in accordance with Applicable Laws, (A) deduct or withhold such Withholding Tax in the full amount required to be deducted or withheld from the amount due to Crinetics, (B) remit such Withholding Tax to the proper Governmental Authority when due, (C) furnish Crinetics with proof of payment of such Withholding Tax within thirty (30) days following the payment, and (D) pay to Crinetics the stated amount payable under this Agreement (after any such Withholding Tax). Both Parties agree that under the applicable tax treaty as of the Effective Date, no withholding taxes are due on any amounts due hereunder provided that the appropriate forms have been filed with the tax authorities in Japan.

(c) Tax Cooperation. The Parties agree to cooperate with one another in accordance with Applicable Laws and use reasonable efforts to minimize Tax withholding or similar obligations in respect of any payments made by each Party to the other Party under this Agreement, including using Commercially Reasonable Efforts to access the benefits of any applicable treaties, including, but not limited to, the Japan-US Tax Treaty.

ARTICLE 9
CONFIDENTIALITY; PUBLICATION

9.1 Duty of Confidence. Subject to the other provisions of this ARTICLE 9:

(a) Except to the extent expressly authorized by this Agreement, all Confidential Information of a Party (the "**Disclosing Party**") shall be maintained in confidence and otherwise safeguarded, and not published or otherwise disclosed, by the other Party (the "**Receiving Party**") and its Affiliates for the Term and five (5) years thereafter;

(b) the Receiving Party may only use any Confidential Information of the Disclosing Party to the extent necessary to perform its obligations or exercise its rights under this Agreement; and

(c) a Receiving Party may disclose Confidential Information of the Disclosing Party to: (i) such Receiving Party's Affiliates, Licensees and Sublicensees; and (ii) employees, directors, agents, contractors, consultants and advisors of the Receiving Party and its Affiliates and sublicensees (collectively, "**Representatives**"), in each case to the extent reasonably necessary to perform its obligations or exercise its rights under this Agreement; provided that such Persons are bound by legally enforceable obligations to maintain the confidentiality of the Disclosing Party's Confidential Information in a manner consistent with the confidentiality provisions of this Agreement; and provided further that each Party shall remain responsible for any failure by its Affiliates, licensees and sublicensees, and its and its Affiliates' and licensees' and sublicensees' respective employees, directors, agents, consultants, advisors, and contractors, to treat such Confidential Information as required under this Section 9.1 (as if such Affiliates, licensees, sublicensees employees, directors, agents, consultants, advisors and contractors were Parties directly bound to the requirements of this Section 9.1).

9.2 Exemptions. Information of a Disclosing Party will not be deemed to be Confidential Information of such Disclosing Party to the extent that the Receiving Party can demonstrate through competent evidence that such information:

(a) is known by the Receiving Party or any of its Affiliates without an obligation of confidentiality at the time of its receipt from the Disclosing Party, and not through a prior disclosure by or on behalf of the Disclosing Party, as documented by the Receiving Party's business records;

(b) is generally available to the public before its receipt from the Disclosing Party;

(c) becomes generally available to the public or otherwise part of the public domain after its disclosure by the Disclosing Party and other than through any act or omission of the Receiving Party or any of its Representatives in breach of this Agreement;

(d) is subsequently disclosed to the Receiving Party or any of its Affiliates without obligation of confidentiality by a Third Party who may rightfully do so and is not under a conflicting obligation of confidentiality to the Disclosing Party; or

(e) is developed by the Receiving Party or any of its Affiliates independently and without use of or reference to any Confidential Information received from the Disclosing Party, as documented by the Receiving Party's business records.

9.3 Authorized Disclosures. Notwithstanding the obligations set forth in Section 9.1, a Party may disclose the other Party's Confidential Information (including this Agreement and the terms herein) to the extent such disclosure is reasonably necessary in the following situations:

(a) disclosure of this Agreement, its terms and the status and results of Development or Commercialization activities to actual or bona fide potential investors, acquirers, (sub)licensees, lenders and other financial or commercial partners or others on a need-to-know basis solely for the purpose of evaluating or carrying out an actual or potential investment, acquisition, (sub)license, debt transaction or collaboration; provided that in each such case on the condition that such Persons are bound by appropriate obligations of confidentiality, non-disclosure and non-use;

(b) such disclosure is required by judicial, administrative process or rules of any securities and exchange commission (or equivalent foreign agency) (including in filings with Governmental

Authorities), provided that in such event such Party shall, to the extent practical and legally permissible, promptly notify the other Party in writing of such required disclosure and provide to the other Party an opportunity to challenge or limit the disclosure obligations. Confidential Information that is disclosed by judicial or administrative process shall remain otherwise subject to the confidentiality and non-use provisions of this ARTICLE 9, and the Party disclosing Confidential Information pursuant to Applicable Laws or court order shall take all steps reasonably necessary, including seeking of confidential treatment or a protective order, to ensure the continued confidential treatment of such Confidential Information; or

(c) disclosure pursuant to Section 9.5.

9.4 Publications. Prior to its submitting for written or oral publication a manuscript, abstract or other communication that includes data or other information relating to a Compound or Licensed Product that has not been previously published pursuant to this Section 9.4, SKK shall provide to Crinetics a copy thereof if it is originally written in English or an English translation thereof if it is not originally written in English for its review for at least thirty (30) days prior to such submission. SKK shall consider in good faith any comments provided by Crinetics during such thirty (30) day period, and upon request, shall delay such publication or submission for a reasonably necessary period of time to permit a Patent to be filed with respect to any patentable subject matter in such publication, and any such publication shall be subject to the limitations of Sections 9.1, 9.2, and 9.3 above. Crinetics may publicly present or publish any data, information and associated results or conclusions relating to a Compound or Licensed Product generated by or on behalf of SKK under this Agreement: (a) with the prior written consent of SKK if such data, information and associated results and conclusions have not been publicly disclosed or disclosed in a non-confidential manner by or on behalf of SKK, (b) without consent of SKK if such data, information and associated results and conclusions have been publicly disclosed or disclosed in a non-confidential manner, and (c) as required to comply with Applicable Law.

9.5 Publicity.

(a) The Parties agree that the material terms of this Agreement are the Confidential Information of both Parties, subject to the special authorized disclosure provisions set forth in Section 9.3. Promptly following execution of this Agreement, the Parties shall issue a joint press release announcing this Agreement in the form attached hereto as **Exhibit 9.5(a)**. No other disclosure of the existence or the terms of this Agreement may be made by either Party or its Affiliates except as provided in Section 9.3 and this Section 9.5.

(b) A Party may disclose this Agreement and a summary thereof in securities filings with the Securities and Exchange Commission or equivalent foreign agency to the extent required by Applicable Laws. In such event, the Party seeking such disclosure shall prepare a draft confidential treatment request and proposed redacted version of this Agreement to request confidential treatment for this Agreement, and the other Party agrees to promptly give its input in a reasonable manner in order to allow the Party seeking disclosure to file its request within the time lines prescribed by Applicable Laws. The Party seeking disclosure shall use its Commercially Reasonable Efforts to limit the scope of disclosure to the maximum extent possible under the Applicable Laws, and consider in good faith any comments from the other Party on the content of disclosure.

ARTICLE 10
REPRESENTATIONS AND WARRANTIES

10.1 Representations, Warranties of Each Party. Each Party represents and warrants to the other Party as of the Effective Date that:

(a) it is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization, and it has the full right, power and authority to enter into this Agreement and to perform its obligations hereunder;

(b) this Agreement has been duly executed by it and is legally binding upon it, enforceable in accordance with its terms, and does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, nor violate any material Applicable Laws or regulation of any court, governmental body or administrative or other agency having jurisdiction over it;

(c) there are no legal claims, judgments or settlements against or owed by it or any of its Affiliates, or pending or, to its actual knowledge, threatened, legal claims or litigation, in each case, relating to antitrust, anti-competition, anti-bribery or corruption violations; and

(d) in the course of performing its obligations or exercising its rights under this Agreement, it shall comply with all Applicable Laws, including, as applicable, cGMP, GCP, and GLP standards, and shall not employ or engage any Person who has been debarred by any Regulatory Authority, is the subject of debarment proceedings by a Regulatory Authority.

10.2 Representations and Warranties of Crinetics. Crinetics represents and warrants to SKK that as of the Effective Date:

(a) Crinetics has sufficient legal or beneficial title and ownership of, or sufficient license rights under the Licensed IP to grant the licenses under such Licensed IP to SKK as granted pursuant to this Agreement, and, neither any license granted by Crinetics or its Affiliates to any Third Party, nor any license granted by any Third Party to Crinetics or its Affiliates conflicts with the rights and licenses granted under the Licensed IP to SKK hereunder;

(b) to Crinetics's Knowledge, all of issued patents within the Principal Licensed Patents are valid and enforceable and there is no actual or threatened claim made by a Third Party of any invalidity or unenforceability of any issued patents within the Principal Licensed Patents;

(c) to Crinetics's Knowledge, Crinetics and its Affiliates have complied with all Applicable Laws, including any duties of candor to applicable patent offices, in connection with the filing, prosecution and maintenance of the Licensed Patents;

(d) Crinetics and its Affiliates have obtained from all individuals identified as inventors of each Licensed Patents an assignment to Crinetics or its Affiliates of each such inventor's entire right, title and interest in and to such Licensed Patent;

(e) other than the Principal Licensed Patent, there is no Patent Controlled by Crinetics or its Affiliates which is necessary for, or the Valid Claim of which would be infringed by, Exploiting the Licensed Product in the Field in the Territory in accordance with this Agreement;

(f) to Crinetic's Knowledge, no Third Party is infringing or misappropriating, or has infringed or misappropriated the Licensed IP in the Territory;

(g) Crinetics's or its Affiliates has not received any written notice from any Third Party nor, to Crinetics's Knowledge, there is no pending litigation, (i) contesting the Crinetics's ownership of any Licensed IP or validity or enforceability of any Licensed Patent in the Territory, or (ii) asserting or alleging that the Development, manufacture or Commercialization of the Licensed Product prior to the Effective Date infringed or misappropriated the intellectual property rights of such Third Party;

(h) to Crinetics's Knowledge, there are no pending or threatened (in writing), adverse actions, suits or proceedings against Crinetics involving the Licensed IP or Licensed Product;

(i) the Licensed IP includes (a) all Know-How Controlled by Crinetics or its Affiliates that is necessary, or to Crinetics's Knowledge actually used to Develop and Commercialize Licensed Product in the Field in the Territory as such Development and Commercialization is currently being conducted by Crinetics or its Affiliates or contemplated to be conducted by the Parties hereunder, and (b) all Patents in the Territory that are Controlled by Crinetics or its Affiliates as of the Effective Date that Cover a Licensed Product in the Field in the Territory;

(j) to Crinetics's Knowledge, the Development, Commercialization and Exploitation of the Licensed Product in the Field in the Territory does not constitute infringement or misappropriation of any rights of any Third Party;

(k) Crinetics has, prior to the Effective Date, made available to SKK through the data room, all material safety information regarding the Licensed Product or Compound; and

(l) all material data included in the Principal Licensed Patents that supports the patentability of the Principal Licensed Patents and other material data made available by Crinetics to SKK in the data room has not, to Crinetics's Knowledge, been manipulated or modified in a fraudulent manner.

10.3 Representations and Warranties of SKK. SKK represents and warrants to Crinetics that as of the Effective Date:

(a) SKK has, or can readily obtain, sufficient technical, clinical, and regulatory expertise to perform all of its obligations pursuant to this Agreement, including its obligations relating to Development and Commercialization in the Territory, and obtaining Regulatory Approvals;

(b) SKK will only engage Clinical Trial sites under the Development Plan or otherwise with respect to Licensed Product that conduct the Clinical Trials in compliance with Applicable Laws, and are approved by the Regulatory Authority;

(c) SKK and its Affiliates will not use any employees or contractors in the Development or Commercialization of the Licensed Product who are, or have been, debarred or disqualified by any Regulatory Authority; and

(d) SKK or its Affiliates shall not alter, modify, adapt, or disassemble the Licensed Product or any part thereof, or attempt to do the same to the Licensed Product or any part thereof, unless permitted in this Agreement or otherwise approved by Crinetics.

10.4 NO OTHER WARRANTIES. EXCEPT AS EXPRESSLY STATED IN THIS ARTICLE 10, (A) NO REPRESENTATION, CONDITION OR WARRANTY WHATSOEVER IS MADE OR GIVEN BY OR ON BEHALF OF A PARTY; AND (B) ALL OTHER CONDITIONS AND WARRANTIES WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE ARE

EXPRESSLY EXCLUDED, INCLUDING ANY CONDITIONS AND WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT.

10.5 No Debarment. No Party, nor any of its Affiliates, employees or agents working in connection with this Agreement, has ever been, is currently, or is the subject of a proceeding that could lead to that party becoming, as applicable, a debarred entity or debarred individual. Each Party further covenants, represents and warrants that if, during the Term of this Agreement, it, or any of its Affiliates, employees or agents working on its behalf in connection with this Agreement, becomes or is the subject of any investigation or debarment proceeding that could lead to that party becoming, as applicable, a debarred entity or debarred individual, it shall promptly notify the other Party.

ARTICLE 11
INDEMNIFICATION

11.1 [***].

11.2 [***].

11.3 Indemnification Procedure. If either Party (the "**Indemnified Party**") is seeking indemnification under Section 11.1 or 11.2, it shall inform the other Party (the "**Indemnifying Party**") of the claim giving rise to the obligation to indemnify pursuant to such Section(s) within thirty (30) days after receiving written notice of the claim (it being understood and agreed, however, that the failure or delay by an Indemnified Party to give such notice of a claim shall not affect the indemnification provided hereunder except to the extent the Indemnifying Party shall have been actually and materially prejudiced as a result of such failure or delay to give notice). The Indemnifying Party shall have the right to assume the defense of any such claim for which it is obligated to indemnify the Indemnified Party. The Indemnified Party shall cooperate with the Indemnifying Party and the Indemnifying Party's insurer as the Indemnifying Party may reasonably request, and at the Indemnifying Party's cost and expense. The Indemnified Party shall have the right to participate, at its own expense and with counsel of its choice, in the defense of any claim that has been assumed by the Indemnifying Party. Neither Party shall have the obligation to indemnify the other Party in connection with any settlement made without the Indemnifying Party's written consent, which consent shall not be unreasonably withheld, conditioned or delayed. If the Parties cannot agree as to the application of Section 11.1 or 11.2 as to any claim, pending resolution of the dispute pursuant to ARTICLE 14, the Parties may conduct separate defenses of such claims, with each Party retaining the right to claim indemnification from the other Party in accordance with Section 11.1 or 11.2 upon resolution of the underlying claim.

11.4 Limitation of Liability. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR INDIRECT DAMAGES ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION 11.4 IS INTENDED TO OR SHALL LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF ANY PARTY UNDER SECTION 11.1 OR 11.2, OR DAMAGES AVAILABLE FOR A PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR DAMAGES AVAILABLE FOR A PARTY'S BREACH OF ITS OBLIGATIONS HEREUNDER RELATING TO CONFIDENTIALITY.

ARTICLE 12
INTELLECTUAL PROPERTY

12.1 Existing Intellectual Property. Except as the Parties may otherwise expressly agree in writing, each Party shall continue to own its patents, trademarks, copyrights, trade secrets and other

intellectual property existing as of the Effective Date, without conferring any interests therein on the other Party. Without limiting the generality of the preceding sentence, Crinetics shall retain all right, title and interest arising under Applicable Law in and to all Licensed Product. Neither SKK nor any third parties shall acquire any right, title or interest in Crinetics's intellectual property by virtue of this Agreement or otherwise, except to the extent expressly provided herein.

12.2 Product-Related Inventions. [***].

12.3 Confidentiality of Intellectual Property. Intellectual property other than publicly disclosed Patents shall be deemed to be the Confidential Information of the Party owning such intellectual property. The protection of each Party's Confidential Information is described in ARTICLE 9. Any disclosure of information by one Party to the other under the provisions of this ARTICLE 12 shall be treated as the disclosing Party's Confidential Information under this Agreement. It shall be the responsibility of the Party preparing a patent application to obtain the written permission of the other Party to use or disclose the other Party's Confidential Information in the patent application before the application is filed and for other disclosures made during the prosecution of the patent application.

12.4 Prosecution and Maintenance.

(a) [***].

(b) Each Party shall promptly notify the other Party in writing of any claim, action, proceeding or allegation by any Governmental Authority or Third Party that (i) any of the application for the Licensed Patents in the Territory is not patentable or (ii) any of the registered Licensed Patents in the Territory is invalid or unenforceable, and promptly provide the other Party with any communications made by such Party or such Governmental Authority or Third Party with respect to such claim, action, proceeding or allegation. The Party controlling the Prosecution and Maintenance of a Licensed Patent shall have the right to defend such claim, action, proceeding or allegation to maintain validity of and Crinetics's ownership to the Licensed Patents.

12.5 Enforcement.

(a) Each Party shall promptly notify the other Party in writing on becoming aware of any actual, threatened or suspected infringement of any Licensed Patent by the manufacture, sale or use of any Third Party product containing Compound for use in the Field in the Territory ("**Third Party Infringement**").

(b) [***].

(c) The Party initiating or controlling any Enforcement Action pursuant to this Section 12.5 shall keep the other Party reasonably informed of the progress of any such Enforcement Action, and such other Party shall have the right to participate with counsel of its own choice and at its own expense. In addition, the Parties shall assist one another and cooperate in any such Enforcement Action at the other's reasonable request (including joining as a party plaintiff to the extent necessary or so requested by the other Party). Without limiting the generality of the foregoing sentence, if a Party takes an Enforcement Action in accordance with Section 12.5(b), the other Party shall take all steps as may be reasonably required by the enforcing Party, including (i) granting the enforcing Party and its representatives all reasonable access to the books, records and properties of the other Party related to the matters to which such Third Party Infringement relates (absent legal (including attorney-client or other privilege) or contractual restrictions regarding such access), (ii) bringing any actions that are required to be taken by the other Party as the owner

or exclusive licensee (as the case may be) of the Licensed IP, and (iii) giving the enforcing Party all rights to act on behalf of the other Party in any legal actions to the maximum extent permitted by Applicable Laws solely to the extent required to enforce the Licensed Patents in accordance with the terms of this Agreement.

(d) [***].

12.6 Infringement Action. Without prejudice to SKK's right to seek indemnification under Section 11.1 and procedures set forth in Section 11.3, each Party shall have right to take any action in respect of any defense, action, appeal that is appropriate to defend such Party in respect of a claim, action, proceeding or allegation by a Third Party that any activity of such Party relating to Development, manufacture, Commercialization or other Exploitation of the Licensed Product infringes or misappropriates, or may infringe or misappropriate, the intellectual property rights of such Third Party. Each Party shall keep the other Party reasonably informed of all material developments in connection with any such infringement or misappropriation action, and the other Party shall co-operate in good faith with such Party in connection with such infringement action. Neither Party may make any statement of admission, or enter into any compromise, settlement or agreement with any Person in relation to any such infringement action that adversely impacts the other Party, without the prior written consent of the other Party.

12.7 New Third Party Technology.

(a) If, SKK or Crinetics becomes aware of any Patent owned by a Third Party that Covers a Compound or Licensed Product in the Field in the Territory or any other Patent owned by a Third Party that would be infringed by Exploiting the Licensed Product in the Field in the Territory, it shall notify the other Party in writing of such Patent. [***].

(b) If, after the Effective Date, Crinetics acquires from a Third Party any subject matter within the Licensed IP ("**New Technology**") that is subject to royalty, milestone or other payment obligations to such Third Party, then Crinetics shall so notify SKK and the following shall apply:

(i) [***].

(ii) [***].

12.8 Acquisition. Notwithstanding the foregoing or any other provision of this Agreement, in the event of an Acquisition (as defined below), the Licensed IP, Compounds and Licensed Products shall not include Patents, Know-How or other subject matter that was owned or controlled by the acquiring entity or its affiliates prior to the Acquisition, and the rights and licenses granted to SKK under this Agreement shall not include any product, formulation or subject matter owned or controlled by the acquiring entity or such affiliates after the Acquisition, except to the extent created in the Development of a Compound or Licensed Product by Crinetics. For purposes of this Section 12.8, "**Acquisition**" shall mean: (a) a merger involving Crinetics, in which the shareholders of Crinetics immediately prior to such merger cease to control (as defined in Section 1.1) Crinetics after such merger; (b) a sale of all or substantially all of the assets of Crinetics to an acquiring entity; or (c) a sale of a controlling (as defined in Section 1.1) interest of Crinetics to an acquiring entity. If SKK obtains rights to any Patents that are excluded from Licensed IP by way of this Section 12.8, then any amounts paid by SKK for such rights shall be considered a payment to a Third Party for purposes of Section 8.5(d), and subject to the terms thereof. Crinetics shall use its diligent efforts to cause the acquiring entity to offer such rights with prices not substantially unfavorable to any other Third Party granted such rights from the acquiring entity.

12.9 Patent Marking. If SKK or its Affiliates or Sublicensees mark Licensed Products with Licensed Patents, then SKK agrees to mark, and have its Affiliates and Sublicensees, mark all Licensed Products they sell or distribute pursuant to this Agreement with the identifier of any Licensed Patents Covering such Licensed Product in accordance with the applicable patent statutes or regulations in the Territory.

ARTICLE 13
TERMS AND TERMINATION

13.1 Term. The term of this Agreement (the "**Term**") shall commence upon the Effective Date, [***].

13.2 Termination for Material Breach. [***].

13.3 Termination for Challenge to Patent Validity. [***].

(a) [***].

(b) [***].

13.4 Termination for Lack of Material Activities. [***].

13.5 Termination by SKK.

(a) [***].

(b) [***].

13.6 Termination for Financial Matters. Either Party may terminate this Agreement immediately by giving the other Party written notice thereof in the event such other Party shall become insolvent or unable to pay its debts when due, or in the event that proceedings are commenced against, or voluntarily by, such Party relating to its bankruptcy or insolvency and such proceedings are not dismissed or stayed within ninety (90) days of its commencement.

13.7 Effect of Termination.

(a) Licenses. Upon the termination or expiration of this Agreement, the License and all other rights granted by Crinetics to SKK under the Licensed IP and copyrights owned or Controlled by Crinetics shall terminate and all sublicenses granted by SKK shall also terminate.

(b) Inventory. Within thirty (30) days of termination or expiration of this Agreement, SKK shall notify Crinetics of any quantity of Licensed Products remaining in SKK's Inventory. If this Agreement is terminated by either Party or expires after the First Commercial Sale of the Licensed Product in the Territory, SKK shall have the non-exclusive right to sell the Licensed Product in SKK's inventory at the time of termination or expiration (the "**Inventory**") in the Territory for a period of up to eighteen (18) months from the date of termination or expiration. Crinetics shall have the option of purchasing and having delivered within sixty (60) days after the termination or expiration any or all of the Inventory at a price equal to the total amount of supply price paid by SKK and SKK's internal costs for such Inventory. In addition, SKK shall cooperate fully to transition to Crinetics upon Crinetics's request any arrangement with

any contractor from which SKK was obtaining supply of any Licensed Product (including with respect to packaging and labelling of Licensed Product).

(c) Wind Down and Transition. [***].

(i) [***].

(ii) [***].

(iii) [***].

(iv) Regulatory Approvals. Subject to any restrictions on assignment under Applicable Law, SKK shall assign, or cause to be assigned, to Crinetics or its designee (or if not so assignable, SKK shall take, or cause to be taken, all reasonable actions to make available to Crinetics or its designee the benefits of) all regulatory filings and registrations (including INDs, NDAs, MAs, Regulatory Submissions, and Regulatory Approvals) for Compounds and Licensed Products in the Territory, including any such regulatory filings and registrations made or owned by SKK's Affiliates or Sublicensees and/or others under authority of SKK. In each case, unless otherwise required by any Applicable Law, the foregoing assignment (or availability) shall be made within thirty (30) days after the effective date of any such termination or expiration of this Agreement. In addition, SKK shall promptly provide to Crinetics a copy of all data and other Know-How pertaining to any Compound and/or Licensed Product in the Territory to the extent not previously provided to Crinetics, and Crinetics shall have the right to use and disclose all such information for any purpose following termination or expiration of this Agreement.

(v) Return of Product Materials; SKK's Trademarks. After the end of the Wind-Down Period and promptly upon a request by Crinetics, SKK shall either return to Crinetics or destroy, as directed by Crinetics, all tangible items comprising, bearing or containing the SKK's Trademarks, the Crinetics company name and/or logo, photographs, samples, literature, sales and promotional aids ("**Product Materials**") and if requested to destroy such Product Materials, SKK shall promptly certify in writing to Crinetics that all such Product Materials have been destroyed. Effective upon the end of the Wind-Down Period: (a) SKK shall cease to use all of the SKK's Trademarks and Crinetics's brand, name, and logo; (b) all rights granted to SKK hereunder with respect to the Crinetics brand, name and logo in the Territory shall terminate; and (c) SKK shall assign to Crinetics all right, title and interest in and to the SKK's Trademarks, and all Licensed Product-specific domain names, including all registrations and applications for registration for any of the foregoing.

(d) Sublicensees and Subcontractors. Promptly after notice of termination or nine (9) months prior to expiration of this Agreement, SKK shall disclose to Crinetics any contracts between SKK or its Affiliates with Third Party with respect to the Licensed Product in the Territory, including the terms thereof ("**SKK Third Party Agreements**"); provided that SKK may redact any commercially sensitive terms. Such SKK Third Party Agreements shall, at the request of Crinetics in its discretion, be assigned to Crinetics with Commercially Reasonable Effort. In the event such assignment is not requested by Crinetics or is not possible, then the rights of such Third Parties (if any) with respect to Compounds and Licensed Products in the Territory shall terminate upon termination or expiration of SKK's rights with respect to the Territory under this Agreement. SKK shall ensure that its Affiliates and such Sublicensees and subcontractors (if not assigned to Crinetics pursuant to this Section 13.7(c)) shall transition Compounds and Licensed Products back to Crinetics in the manner set forth in this Section 13.7 as if such Affiliate, Sublicensee or subcontractor were named herein.

(e) Return of Confidential Information. After the end of the Wind-Down Period, at the Disclosing Party's election, the Receiving Party shall return (at the Disclosing Party's expense) or destroy

all tangible materials comprising, bearing or containing any Confidential Information of the Disclosing Party that are in the Receiving Party's or its Affiliates' or Sublicensees' possession or control and provide written certification of such destruction; provided that the Receiving Party may retain one copy of such Confidential Information for its legal archives solely to monitor compliance with its obligations herein, and provided further, that the Receiving Party shall not be required to destroy electronic files containing such Confidential Information that are made in the ordinary course of its business information back-up procedures pursuant to its electronic record retention and destruction practices that apply to its own general electronic files and information. In addition, all data and Know-How generated by SKK, its Affiliates, subcontractors, and Sublicensees hereunder during the Term of this Agreement shall, to the extent it pertains to any Compound and/or Licensed Product, be deemed Confidential Information of Crinetics and not Confidential Information of SKK (and will not be subject to the exclusion under Section 9.2(a) and 9.2(e) above).

13.8 Survival. Expiration or termination of this Agreement shall not relieve the Parties of any obligation accruing prior to such expiration or termination. Upon the expiration or termination of this Agreement, all other rights and obligations of the Parties under this Agreement shall terminate except that the following shall survive such termination or expiration: the provisions of ARTICLE 1 (as applicable), ARTICLE 9, ARTICLE 11, ARTICLE 14, and ARTICLE 15 (as applicable), and Sections 8.5-8.10 (with respect to sales made during the Wind-Down Period), 12.1, 12.2 (with respect to Joint Inventions), 12.3, Section 13.7 and this Section 13.8.

13.9 Termination Not Sole Remedy. Termination is not the sole remedy under this Agreement and, whether or not termination is effected and notwithstanding anything contained in this Agreement to the contrary, all other remedies shall remain available except as agreed to otherwise herein.

ARTICLE 14
DISPUTE RESOLUTION

14.1 General. The Parties recognize that a dispute may arise relating to this Agreement (any such dispute, other than one within the scope of a Committee, a "**Dispute**"). Any Dispute, including Disputes that may involve the Affiliates of any Party, shall be resolved in accordance with this ARTICLE 14.

14.2 Negotiation; Escalation. [***].

14.3 [***].

14.4 Certain Disputes. For any Dispute referred for resolution pursuant to this Section 14.4, such Dispute shall be resolved by binding arbitration conducted pursuant to Section 14.3, except that the procedures for the conduct of such arbitration shall be as follows:

(a) [***].

(b) [***].

14.5 Equitable Relief. Notwithstanding anything in this ARTICLE 14 to the contrary, each Party shall have the right to apply to any court of competent jurisdiction for appropriate interim or provisional relief, as necessary to protect the rights or property of that Party. This Section 14.5 shall be specifically enforceable.

ARTICLE 15
MISCELLANEOUS

15.1 Bankruptcy. All rights and licenses granted by Crinetics under this Agreement in the Field in the Territory are and shall be deemed to be rights and licenses to "intellectual property," for purposes of, and as such term is used in and interpreted under Section 365(n) of the U.S. Bankruptcy Code. SKK shall have the right to exercise all rights and elections with respect to such intellectual property. Without limiting the generality of the foregoing, Crinetics acknowledges and agrees that, if Crinetics or its estate shall become subject to any bankruptcy or similar proceeding, and subject to the enforceability of this section in such proceeding:

(a) subject to SKK's rights of election, all rights and licenses granted to the SKK hereunder that are necessary for SKK to continue to Develop or Commercialize the Licensed Product in the Territory will continue subject to the terms and conditions of this Agreement, and will not be affected, even by Crinetics's rejection of this Agreement; and

(b) To the extent provided elsewhere in Articles 4-7 of this Agreement, SKK shall be entitled to a complete duplicate of (or complete access to, as appropriate) all such intellectual property and embodiments of intellectual property necessary for SKK to continue to Develop or Commercialize any Licensed Product in the Territory, and the same, if not already in SKK's possession, shall be promptly delivered to SKK, unless Crinetics elects to and does in fact continue to perform all of its obligations under this Agreement.

15.2 Force Majeure. Neither Party shall be held liable to the other Party nor be deemed to have defaulted under or breached this Agreement for failure or delay in performing any obligation under this Agreement to the extent such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party, including but not limited to embargoes, war, acts of war (whether war be declared or not), acts of terrorism, insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances (except for a strike, lockout or labor disturbance with respect to the non-performing Party's respective employees or agents), fire, floods, earthquakes or other acts of God, or any generally applicable action or inaction by any Governmental Authority but excluding any government action or inaction that is specific to such Party, its Affiliates, Licensees or Sublicensees, such as revocation or non-renewal of such Party's license to conduct business. The affected Party shall notify the other Party in writing of such force majeure circumstances as soon as reasonably practical, and shall promptly undertake and continue diligently all reasonable efforts necessary to cure or avoid such force majeure circumstances or to perform its obligations despite the ongoing circumstances and shall continue performance with the utmost dispatch whenever such causes are removed.

15.3 Assignment. This Agreement may not be assigned or otherwise transferred, nor may any right or obligation hereunder be assigned or transferred (except as expressly provided herein), by either Party without the prior written consent of the other Party, except that (a) this Agreement may be assigned by a Party to an Affiliate of that Party or to an entity that acquires all or substantially all of the business or assets to which this Agreement pertains including, in case that Crinetics is the assigning Party, all title, interest, license and/or other rights held by the Crinetics in and to the Licensed IP, whether by merger, acquisition, sale or otherwise, provided that the entity to whom this Agreement is assigned assumes this Agreement in writing or by operation of law and the assigning Party promptly notifies the other Party of such assignment and (b) Crinetics may assign or transfer its rights under this Agreement to a Third Party in connection with a royalty factoring transaction so long as SKK can Exploit the Licensed Product in the Field in the Territory in accordance with the terms of this Agreement; and provided, further that if the non-assigning Party reasonably believes such assignment could result in adverse tax consequences to the non-assigning Party, such assignment shall not be made without the non-assigning Party's consent. Any

attempted assignment not in accordance with this Section 15.3 shall be null and void and of no legal effect. The terms and conditions of this Agreement shall be binding upon, and shall inure to the benefit of, the Parties and their respected successors and permitted assigns.

15.4 Severability. If any one or more of the provisions contained in this Agreement is held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affects the substantive rights of the Parties. The Parties shall in such an instance use their best efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) that, insofar as practical, implement the purposes of this Agreement. In the event a Party seeks to avoid a provision of this Agreement by asserting that such provision is invalid, illegal or otherwise unenforceable, the other Party shall have the right to terminate this Agreement upon sixty (60) days prior written notice to the asserting Party, unless such assertion is eliminated and the effect of such assertion is cured within such sixty (60) day period. Any termination in accordance with the foregoing sentence shall be deemed a termination by the other Party for the material breach by the asserting Party pursuant to Section 13.2.

15.5 Notices. All notices that are required or permitted hereunder shall be in writing and sufficient if delivered personally, sent by electronic mail (provided that a read receipt is received and retained by sender and such notice by electronic mail is promptly confirmed by personal delivery, registered or certified mail or overnight courier), sent by nationally-recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Crinetics: Crinetics Pharmaceuticals, Inc.
10222 Barnes Canyon Road, Building 2
San Diego, CA 92121
U.S.A.
Attention: [***]

and

If to SKK: Sanwa Kagaku Kenkyusho Co., Ltd.
35 Higashisotobori-cho, Higashi-ku,
Nagoya, Aichi, 461-8631
Japan
Attention: [***]

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

15.6 Governing Law. This Agreement, and all claims or causes of action (whether in contract, tort or statute) that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement or the breach thereof (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), shall be governed by, and enforced in accordance with, the internal laws of the State of New York, including its statutes of limitations.

15.7 Export Laws. Notwithstanding anything to the contrary contained herein, all obligations of a Party are subject to prior compliance with the export regulations of the United States and any other relevant country and such other laws and regulations in effect in the United States and/or any other relevant country as may be applicable, and to obtaining all necessary approvals required by the applicable agencies of the governments of the United States and any other relevant countries. The Parties shall cooperate with each other and shall provide assistance to the other as reasonably necessary to obtain any required approvals.

15.8 Entire Agreement; Amendments. This Agreement, together with the Exhibits hereto, and the Safety Data Exchange and Pharmacovigilance Agreement, Manufacture and Supply Agreement and Clinical Supply Agreement (each, when executed) contain the entire understanding of the Parties with respect to the collaboration and the licenses granted hereunder. Any other express or implied agreements and understandings, negotiations, writings and commitments, either oral or written, in respect to the collaboration and the licenses granted hereunder, including the Prior CDA, are superseded by the terms of this Agreement. The Exhibits to this Agreement are incorporated herein by reference and shall be deemed a part of this Agreement. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by authorized representative(s) of both Parties.

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

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

15.11 Waiver. Any waiver of any provision of this Agreement shall be effective only if in writing and signed by Crinetics and SKK. No waiver by a Party of any default under this Agreement will be a waiver of a future or subsequent default. The failure or delay of any Party in exercising any rights under this Agreement will not constitute a waiver of any such right, and any single or partial exercise of any particular right by any Party will not exhaust the same or constitute a waiver of any other right provided in this Agreement.

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

15.13 Further Actions. Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all such other acts, as necessary or appropriate in order to carry out the purposes and intent of this Agreement.

15.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Each Party shall be entitled to rely on the delivery of executed pdf copies of counterpart execution pages of this Agreement and such pdf copies shall be legally effective to create a valid and binding agreement among the Parties. The Party who delivers the executed pdf copies of counterpart execution pages of this Agreement shall promptly forward to the other Party the original of the executed copy of this Agreement that was so delivered.

[Signature Page Follows]

In Witness Whereof, the Parties intending to be bound have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

CRINETICS PHARMACEUTICALS, INC.

By: /s/ R. Scott Struthers

Name: R. Scott Struthers

Title: Founder & Chief Executive Officer

SANWA KAGAKU KENKYUSHO CO., LTD.

By: /s/ Shusaku Isono

Name: Shusaku Isono

Title: President & CEO

List of Exhibits

Exhibit 1.55: Principal Licensed Patents
Exhibit 4.1(a): Initial Development Plan
Exhibit 4.2(a): Development Target Timeline
Exhibit 9.5(a): Joint Press Release

Exhibit 1.55

Principal Licensed Patents

i. **Principal Licensed Patents**

Initial Phase	International Phase	National Phase in the Territory		
Application No.	Publication No.	Application No.	Publication No.	Patent No.
US62/362493 US62/411338	WO2018/013676	JP2019500810 JP2021173304	JP2019520415 -	JP6967577 -
US62/618538	WO2019/143718	JP2020538675	JP2021511303	-
US62/875285	WO2021/011641	JP2022502580	-	-
US63/076024	–	Patents corresponding to that on the left		
US63/193010	–	Patents corresponding to that on the left		
US63/298551	-	Patents corresponding to that on the left		

Exhibit 4.1(a)

Initial Development Plan

Phase 1	
Investigational Drug	[***]
Study detail	[***]
Target subjects	[***]
Study design	[***]
Dosage and Administration	· [***] · [***] · [***]
Administration period	[***]
Numbers of target subject	[***] · [***] · [***] · [***]
Main endpoints	[***]

Phase 2/3 Study	
Investigational Drug	[***]
Study detail	[***]
Target subjects	[***]
Study design	[***]
Dosage and Administration	[***]
Administration period	[***]
Numbers of target subject	[***]
Main endpoints	[***]

Phase 2/3 Study (Long-Term study)	
Investigational Drug	[***]
Study detail	[***]
Target subjects	[***]
Study design	[***]
Dosage and Administration	[***]
Administration period	[***]
Numbers of target subject	[***]
Main endpoints	[***]

Exhibit 4.2(a)

Development Target Timeline of First Indication (SKK)

Target Timeline	Development Events
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Exhibit 9.5(a)

Joint Press Release

Crinetics Pharmaceuticals and Sanwa Kagaku Kenkyusho Enter into Exclusive Licensing Agreement for the Development and Commercialization of Paltusotine in Japan

SAN DIEGO and NAGOYA, Japan - February 25, 2022 -- Crinetics Pharmaceuticals, Inc. (Nasdaq: CRNX), a clinical stage pharmaceutical company focused on the discovery, development, and commercialization of novel therapeutics for rare endocrine diseases and endocrine-related tumors, and Sanwa Kagaku Kenkyusho Co., Ltd. ("Sanwa"), an established, fully integrated pharmaceutical company headquartered in Nagoya, Japan, today announced that the parties have entered into a strategic partnership to exclusively develop and commercialize paltusotine in Japan. Paltusotine is Crinetics' investigational, orally available nonpeptide somatostatin receptor type 2 (SST2) agonist being evaluated as a treatment for acromegaly and neuroendocrine tumors (NETs), including NETs complicated by carcinoid syndrome.

Under the terms of this agreement, Crinetics will receive $13.0 million upfront and will be eligible to receive milestone payments related to the achievement of certain development, regulatory and commercial goals. In addition, upon market approval of paltusotine in Japan, Crinetics will be eligible to receive tiered royalties based on net product sales. Sanwa will have an exclusive right to develop and commercialize the product in Japan and will be responsible for leading the development and commercialization of paltusotine for acromegaly and NETs in Japan. Also, Sanwa will assume all costs associated with clinical trials and regulatory applications associated with these processes. Crinetics retains all rights to develop and commercialize paltusotine outside Japan.

There are approximately 10,000 acromegaly patients and 11,000 NETs patients in Japan and, as in the United States, somatostatin analogues are the first-line medical therapy for individuals for whom surgery is either not prescribed or is not curative. Shusaku Isono, President and Chief Executive Officer of Sanwa Kagaku Kenkyusho Co., Ltd. said "Through this license agreement, we will make our best effort with Crinetics to provide a new oral treatment option for acromegaly and NETs patients in Japan."

"In Sanwa, we found a company that shares our vision of developing, as the first indication for paltusotine, a once-daily oral therapy for acromegaly that will establish a new class of medicine to allow patients to live full lives free of the burden of painful monthly injections," added Scott Struthers, Ph.D., founder and Chief Executive Officer of Crinetics. "With the promise of additional indications for NETs, we look forward to a long and productive relationship with our colleagues at Sanwa and are pleased to have the external validation that such a high-quality partnership provides."

Crinetics is currently enrolling patients in its Phase 3 PATHFNDR program, which is evaluating the safety and efficacy of once-daily oral paltusotine in a wide cross section of acromegaly patients in the United States and Europe. In Japan, Sanwa expects to initiate Phase 1 development with paltusotine in 2022.

About Acromegaly
Acromegaly is a serious disease generally caused by a pituitary adenoma, a benign tumor in the pituitary that secretes growth hormone. Excess GH secretion causes excess secretion of IGF-1 from the liver. Together, excess of these hormones leads to the symptoms and physical manifestations of acromegaly, including abnormal growth of hands and feet, alteration of facial features, arthritis, carpal tunnel syndrome, joint aches, deepening of voice due to enlarged vocal cords, fatigue, sleep apnea, enlargement of heart, liver and other organs, and changes in glucose and lipid metabolism. Surgical removal of pituitary adenomas, if possible, is the preferred initial treatment for most acromegaly patients. Pharmacological treatments are used for patients

that are not candidates for surgery, or when surgery is unsuccessful in achieving treatment goals. Approximately 50% of patients with acromegaly prove to be candidates for pharmacological treatment. Long-acting somatostatin-receptor ligands (SRLs) are the most common initial pharmacologic treatment; however, these drugs require monthly depot injections with large gauge needles that are commonly associated with pain, injection site reactions, and increased burden of therapy on the lives of patients.

About Neuroendocrine Tumors and Carcinoid Syndrome
Carcinoid syndrome is a group of symptoms that presents in some individuals with neuroendocrine tumors (NETs). NETs are a rare, slow-growing type of cancer that arises most often in the digestive tract. Carcinoid syndrome is most common in patients with NETs that develop in the lung and gastrointestinal tract and metastasize to the liver. In these cases, the liver is unable to filter the hormones secreted by the NETs, causing them to be circulated systemically.

About Paltusotine
Paltusotine is an investigational, orally available nonpeptide agonist that is designed to be highly selective for the somatostatin receptor type 2 (SST2). It was designed by the Crinetics discovery team to provide a once-daily option for patients with acromegaly and neuroendocrine tumors. A previously completed Phase 1 trial of paltusotine showed clinical proof of concept by providing evidence of potent suppression of the growth hormone axis in healthy volunteers. In Phase 2 trials, paltusotine maintained IGF-1 levels in acromegaly patients who switched from injectable depot medications to once-daily oral paltusotine. IGF-1 is the primary biomarker endocrinologists use to manage their acromegaly patients.

About Crinetics Pharmaceuticals
Crinetics Pharmaceuticals is a clinical stage pharmaceutical company focused on the discovery, development, and commercialization of novel therapeutics for rare endocrine diseases and endocrine-related tumors. The company’s lead product candidate, paltusotine (formerly CRN00808), is an investigational, oral, selective nonpeptide somatostatin receptor type 2 biased agonist for the treatment of acromegaly, an orphan disease affecting more than 26,000 people in the United States. A Phase 3 clinical program in acromegaly with paltusotine is underway. Crinetics also plans to advance paltusotine into a Phase 2 trial for the treatment of carcinoid syndrome associated with neuroendocrine tumors. The company is also developing CRN04777, an investigational, oral, nonpeptide somatostatin receptor type 5 (SST5) agonist for congenital hyperinsulinism, as well as CRN04894, an investigational, oral, nonpeptide ACTH antagonist for the treatment of Cushing’s disease, congenital adrenal hyperplasia and other diseases of excess ACTH. All of the company’s drug candidates are new chemical entities resulting from in-house drug discovery efforts and are wholly owned by the company.

About Sanwa Kagaku Kenkyusho Co., Ltd.
Sanwa, a subsidiary of Suzuken Co., Ltd., one of the largest pharmaceutical wholesalers in Japan, is a fully integrated pharmaceutical company headquartered in Nagoya, Japan, with capabilities of R&D, manufacturing, and marketing. Sanwa established therapeutic and diagnostic products serving mainly in diabetes, endocrinology, and dialysis marketplaces. And it is Sanwa's mission to develop and bring to the patients "patient-friendly" medicines that contribute to an improved quality of life.

Forward-Looking Statements
This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts contained in this press release are forward-looking statements, including statements regarding the potential to advance Crinetics’ ongoing clinical programs and bring additional therapeutic candidates into the clinic. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions. These forward-looking statements speak only as of the date of this press release and are subject to a number of risks, uncertainties and assumptions, including risks and

uncertainties inherent in Crinetics' business, including unexpected adverse side effects or inadequate efficacy of the company's product candidates that may limit their development, regulatory approval and/or commercialization, the company's dependence on third parties in connection with product manufacturing, research and preclinical and clinical testing; the success of Crinetics' clinical trials and nonclinical studies and the other risks and uncertainties described in the company's periodic filings with the SEC. The events and circumstances reflected in the company's forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Additional information on risks facing Crinetics can be found under the heading "Risk Factors" in Crinetics' periodic reports, including its annual report on Form 10-K for the year ended December 31, 2020, filed with the SEC. Except as required by applicable law, Crinetics does not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

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CONSULTING AGREEMENT

This Consulting Agreement (this "***Agreement***") is made and entered into as of April 1, 2022 (the "***Effective Date***") by and between Crinetics Pharmaceuticals, Inc. (the "***Company***") and Ajay Madan ("***Consultant***"), an individual (each herein referred to individually as a "***Party***," or collectively as the "***Parties***").

The Company desires to retain Consultant as an independent contractor to perform consulting services for the Company, and Consultant is willing to perform such services, on the terms described below. In consideration of the mutual promises contained herein, the Parties agree as follows:

1. Services and Compensation

Consultant shall perform the services described in **Exhibit A** (the "***Services***") for the Company (or its designee) and agrees to comply with the terms of this Agreement, including the general release of claims contained in Section 8 and as consideration, the Company agrees to pay Consultant the compensation described in **Exhibit A** for Consultant's performance of the Services.

2. Confidentiality

A. ***Definition of Confidential Information.*** "***Confidential Information***" means any information (including any and all combinations of individual items of information) that relates to the actual or anticipated business and/or products, research or development of the Company, its affiliates or subsidiaries, or to the Company's, its affiliates' or subsidiaries' technical data, trade secrets, or know-how, including, but not limited to, research, product plans, or other information regarding the Company's, its affiliates' or subsidiaries' products or services and markets therefor, customer lists and customers (including, but not limited to, customers of the Company on whom Consultant called or with whom Consultant became acquainted during the term of this Agreement), software, developments, inventions, discoveries, ideas, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances, and other business information disclosed by the Company, its affiliates or subsidiaries, either directly or indirectly, in writing, orally or by drawings or inspection of premises, parts, equipment, or other property of Company, its affiliates or subsidiaries. Notwithstanding the foregoing, Confidential Information shall not include any such information which Consultant can establish (i) was publicly known or made generally available prior to the time of disclosure to Consultant; (ii) becomes publicly known or made generally available after disclosure to Consultant through no wrongful action or inaction of Consultant; or (iii) is in the rightful possession of Consultant, without confidentiality obligations, at the time of disclosure as shown by Consultant's then-contemporaneous written records; provided that any combination of individual items of information shall not be deemed to be within any of the foregoing exceptions merely because one or more of the individual items are within such exception, unless the combination as a whole is within such exception.

B. ***Nonuse and Nondisclosure.*** During and after the term of this Agreement, Consultant will hold in the strictest confidence, and take all reasonable precautions to prevent any unauthorized use or disclosure of Confidential Information, and Consultant will not (i) use the Confidential Information for any purpose whatsoever other than as necessary for the performance of the Services on behalf of the Company, or (ii) subject to Consultant's right to engage in Protected Activity (as defined below), disclose the Confidential Information to any third party without the prior written consent of an authorized representative of the Company, except that Consultant may disclose Confidential Information to the extent compelled by applicable law; *provided however*, prior to such disclosure, Consultant shall provide prior written notice to

Company and seek a protective order or such similar confidential protection as may be available under applicable law. Consultant agrees that no ownership of Confidential Information is conveyed to the Consultant. Without limiting the foregoing, Consultant shall not use or disclose any Company property, intellectual property rights, trade secrets or other proprietary know-how of the Company to invent, author, make, develop, design, or otherwise enable others to invent, author, make, develop, or design identical or substantially similar designs as those developed under this Agreement for any third party. Consultant agrees that Consultant's obligations under this Section 2.B shall continue after the termination of this Agreement.

C. ***Other Company Confidential Information*****.** Consultant agrees that Consultant will not improperly use, disclose, or induce the Company to use any proprietary information or trade secrets of any former or current employer of Consultant or other person or entity with which Consultant has an obligation to keep in confidence. Consultant also agrees that Consultant will not bring onto the Company's premises or transfer onto the Company's technology systems any unpublished document, proprietary information, or trade secrets belonging to any third party unless disclosure to, and use by, the Company has been consented to in writing by such third party.

D. ***Third Party Confidential Information*****.** Consultant recognizes that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Consultant agrees that at all times during the term of this Agreement and thereafter, Consultant owes the Company and such third parties a duty to hold all such confidential or proprietary information in the strictest confidence and not to use it or to disclose it to any person, firm, corporation, or other third party except as necessary in carrying out the Services for the Company consistent with the Company's agreement with such third party.

3. Ownership

A. ***Assignment of Inventions*****.** Consultant agrees that all right, title, and interest in and to any copyrightable material, notes, records, drawings, designs, inventions, improvements, developments, discoveries, ideas and trade secrets conceived, discovered, authored, invented, developed or reduced to practice by Consultant, solely or in collaboration with others, during the term of this Agreement and arising out of, or in connection with, performing the Services under this Agreement and any copyrights, patents, trade secrets, mask work rights or other intellectual property rights relating to the foregoing (collectively, "***Inventions***"), are the sole property of the Company. Consultant also agrees to promptly make full written disclosure to the Company of any Inventions and to deliver and assign (or cause to be assigned) and hereby irrevocably assigns fully to the Company all right, title and interest in and to the Inventions.

B. ***Pre-Existing Materials*****.** Subject to Section 3.A, Consultant will provide the Company with prior written notice if, in the course of performing the Services, Consultant incorporates into any Invention or utilizes in the performance of the Services any invention, discovery, idea, original works of authorship, development, improvements, trade secret, concept, or other proprietary information or intellectual property right owned by Consultant or in which Consultant has an interest, prior to, or separate from, performing the Services under this Agreement ("***Prior Inventions***"), and the Company is hereby granted a nonexclusive, royalty-free, perpetual, irrevocable, transferable, worldwide license (with the right to grant and authorize sublicenses) to make, have made, use, import, offer for sale, sell, reproduce, distribute, modify, adapt, prepare derivative works of, display, perform, and otherwise exploit such Prior Inventions, without restriction, including, without limitation, as part of or in connection with such Invention, and to practice any method related thereto. Consultant will not incorporate any invention, discovery, idea, original works of authorship, development, improvements, trade secret, concept, or other proprietary information or intellectual property right owned by any unaffiliated third party into any Invention without Company's prior written permission.

C. ***Moral Rights.*** Any assignment to the Company of Inventions includes all rights of attribution, paternity, integrity, modification, disclosure and withdrawal, and any other rights throughout the world that may be known as or referred to as "moral rights," "artist's rights," "droit moral," or the like (collectively, "***Moral Rights***"). To the extent that Moral Rights cannot be assigned under applicable law, Consultant hereby waives and agrees not to enforce any and all Moral Rights, including, without limitation, any limitation on subsequent modification, to the extent permitted under applicable law.

D. ***Maintenance of Records.*** Consultant agrees to keep and maintain adequate, current, accurate, and authentic written records of all Inventions made by Consultant (solely or jointly with others) during the term of this Agreement, and for a period of three (3) years thereafter. The records will be in the form of notes, sketches, drawings, electronic files, reports, or any other format that is customary in the industry and/or otherwise specified by the Company. Such records are and remain the sole property of the Company at all times and upon Company's request, Consultant shall deliver (or cause to be delivered) the same.

E. ***Further Assurances.*** Consultant agrees to assist Company, or its designee, at the Company's expense, in every proper way to secure the Company's rights in Inventions in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments and all other instruments that the Company may deem necessary in order to apply for, register, obtain, maintain, defend, and enforce such rights, and in order to deliver, assign and convey to the Company, its successors, assigns and nominees the sole and exclusive right, title, and interest in and to all Inventions and testifying in a suit or other proceeding relating to such Inventions. Consultant further agrees that Consultant's obligations under this Section 3.E shall continue after the termination of this Agreement.

F. ***Attorney-in-Fact.*** Consultant agrees that, if the Company is unable because of Consultant's unavailability, dissolution, mental or physical incapacity, or for any other reason, to secure Consultant's signature with respect to any Inventions, including, without limitation, for the purpose of applying for or pursuing any application for any United States or foreign patents or mask work or copyright registrations covering the Inventions assigned to the Company in Section 3.A, then Consultant hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Consultant's agent and attorney-in-fact, to act for and on Consultant's behalf to execute and file any papers and oaths and to do all other lawfully permitted acts with respect to such Inventions to further the prosecution and issuance of patents, copyright and mask work registrations with the same legal force and effect as if executed by Consultant. This power of attorney shall be deemed coupled with an interest, and shall be irrevocable.

4. Conflicting Obligations

A. Consultant hereby certifies that Consultant has no outstanding agreement or obligation that is in conflict with any of the provisions of this Agreement, or that would preclude Consultant from complying with the provisions hereof, and further certifies that Consultant will not enter into any such conflicting agreement during the term of this Agreement. Consultant shall list in Exhibit B hereto any other companies for whom Consultant is providing services that are related to the Field of Interest ("**Outside Entities**"). Without limiting the foregoing, Consultant agrees to use their best efforts (A) to segregate Consultant's Services performed under this Agreement from Consultant's work done for the Outside Entities so as to minimize any questions of disclosure of, or rights under, any inventions, (B) to notify the General Counsel of the Company if at any time the Consultant believes that such questions may result from their performance under this Agreement and (C) to assist the Company in fairly resolving any questions in this regard which may arise. The Services performed hereunder will not be conducted on time that is required to be devoted to any other third party. The Consultant shall not use the funding, resources and

facilities of any other third party, without the prior written consent of the Company, to perform Services hereunder and shall not perform the Services hereunder in any manner that would give any third party rights or access to the product of such Services.

A. Consultant represents and warrants that Consultant has no agreements, relationships, or commitments to any other person or entity that conflict with the provisions of this Agreement, Consultant's obligations to the Company under this Agreement, and/or Consultant's ability to perform the Services. Consultant will not enter into any such conflicting agreement during the term of this Agreement.

B. Consultant represents and warrants that neither it nor any individual, corporation, partnership or association performing Services hereunder has been debarred under the provisions of the Generic Drug Enforcement Act of 1992, 21 U.S.C. § 335a(a) and (b) or any similar regulation in any applicable jurisdiction. In the event that Consultant or any individual, corporation, partnership or association performing Services hereunder (i) becomes debarred, or (ii) receives notice of an action with respect to its debarment, Consultant shall notify Company immediately. In the event that Company receives any such notice from Consultant or otherwise becomes aware that a debarment action has been brought against Consultant or any individual, corporation, partnership or association performing Services hereunder, then Company shall have the right to terminate this Agreement effective immediately.

5. Return of Company Materials

Upon the termination of this Agreement, or upon Company's earlier request, Consultant will immediately deliver to the Company, and will not keep in Consultant's possession, recreate, or deliver to anyone else, any and all Company property, including, but not limited to, Confidential Information, tangible embodiments of the Inventions, all devices and equipment belonging to the Company, all electronically-stored information and passwords to access such property, those records maintained pursuant to Section 3.D and any reproductions of any of the foregoing items that Consultant may have in Consultant's possession or control.

6. Term and Termination

A. ***Term*.** The term of this Agreement will begin on the Effective Date of this Agreement and will continue until the earlier of (i) final completion of the Services; (ii) or October 1, 2022.

B. ***Termination*.** Either Party may terminate this Agreement upon fourteen (14) days prior written notice of such termination. If you do not revoke this Agreement, the agreement becomes effective on the eighth day after you sign it (the "Effective Date"). No part of this Agreement is effective or enforceable until the Effective Date. The Company may terminate this Agreement immediately and without prior notice if Consultant refuses to or is unable to perform the Services or is in breach of any material provision of this Agreement.

C. ***Survival*.** Upon any termination, all rights and duties of the Company and Consultant toward each other shall cease except:

(1) The Company will pay, within thirty (30) days after the effective date of termination, all amounts owing to Consultant for Services completed and accepted by the Company prior to the termination date and related reimbursable expenses, if any, submitted in accordance with the Company's policies and in accordance with the provisions of Section 1 of this Agreement; and

(2) Section 2 (Confidentiality), Section 3 (Ownership), Section 4 (Conflicting Obligations), Section 5 (Return of Company Materials), Section 6 (Term and Termination), Section 7

(Independent Contractor; Benefits), Section 8 (Release and Indemnification), Section 9 (Nonsolicitation), Section 10 (Limitation of Liability), Section 11 (Miscellaneous) will survive termination or expiration of this Agreement in accordance with their terms.

7. Independent Contractor; Benefits

A. ***Independent Contractor.*** It is the express intention of the Company and Consultant that Consultant perform the Services as an independent contractor to the Company. Nothing in this Agreement shall in any way be construed to constitute Consultant as an agent, employee or representative of the Company. Without limiting the generality of the foregoing, Consultant is not authorized to bind the Company to any liability or obligation or to represent that Consultant has any such authority. Consultant agrees to furnish (or reimburse the Company for) all tools and materials necessary to accomplish this Agreement and shall incur all expenses associated with performance. Consultant acknowledges and agrees that Consultant is obligated to report as income all compensation received by Consultant pursuant to this Agreement. Consultant agrees to and acknowledges the obligation to pay all self-employment and other taxes on such income.

B. ***Benefits.*** The Company and Consultant agree that Consultant will receive no Company-sponsored benefits as a result of Consultant's Services under this Agreement from the Company where benefits include, but are not limited to, paid vacation, sick leave, medical insurance and 401(k) participation. If Consultant is reclassified by a state or federal agency or court as the Company's employee, Consultant will become a reclassified employee and will receive no benefits from the Company, except those mandated by state or federal law, even if by the terms of the Company's benefit plans or programs of the Company in effect at the time of such reclassification, Consultant would otherwise be eligible for such benefits.

C. ***Waiver***. Consultant hereby explicitly waives his rights to any severance payments, accelerated vesting of any Company equity awards and any other benefits under the Employment Agreement as a result of (a) his separation of employment with the Company or (b) his change in status from employee to consultant with the Company in accordance with the terms of this Agreement. Except as explicitly provided in Exhibit A, Consultant acknowledges and agrees that the Employment Agreement is hereby terminated effective as of the Effective Date, and he shall have no further rights thereunder.

8. Release and Indemnification

General Release of All Claims. In consideration for entering into Agreement, to the fullest extent permitted by law, you waive, release, and promise never to assert any claims or causes of action, known or unknown, against the Company and employees, agents, predecessors, successors, and assigns, regarding any matter arising out of or related to your employment with or separation of employment from the Company, including, without limitation, claims for wrongful discharge, constructive discharge, emotional distress, defamation, invasion of privacy, fraud, breach of contract, breach of the covenant of good faith and fair dealing, discrimination, harassment, retaliation, or failure to accommodate ("General Release"). This General Release includes, but is not limited to, claims arising under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act (ADEA), the Americans with Disabilities Act (ADA), the Equal Pay Act (EPA), the Fair Labor Standards Act (FLSA), the Family and Medical Leave Act (FMLA), or any statutory protections afforded by California Civil Code Section 1542 (Cal. Civ. Code § 1542), all as amended, and all other federal, state, and local laws and regulations relating to employment or termination of employment that may be legally waived or released; however, the identification of specific statutes is for purposes of example only, and the omission of any specific statute or law shall not limit the scope of this General Release in any manner.

Notwithstanding the above, this General Release does not waive or release: (i) any claims arising after you sign this Agreement, including any claim for breach of this Agreement; or (ii) any vested benefits in the Company's 2015 Stock Incentive Plan (the "***2015 Plan***") and the 2018 Incentive Award Plan (the "***2018 Plan***"), the rights of which are governed by the terms of those plans; or (iii) any claims that cannot be legally waived or released as a matter of law, such as filing a claim for unemployment insurance benefits. This General Release also does not prevent you from filing a charge or complaint with, communicating with, or participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission (EEOC), the Securities and Exchange Commission (SEC), the National Labor Relations Board (NLRB), or any other federal, state, or local governmental agency or commission ("Government Agencies"). However, to the fullest extent permitted by law, you agree that you are waiving the right to monetary damages or other equitable or monetary relief as a result of any charge, complaint, investigation, or proceeding.

This General Release includes a release of claims arising under the Age Discrimination in Employment Act (ADEA), as amended by the Older Workers Benefit Protection Act (OWBPA), and its implementing regulations. By signing this Agreement, you acknowledge and confirm that: (i) you have read and understood this Agreement; (ii) by this Agreement, you have been advised in writing to consult with an attorney of the your choice, before signing this Agreement; (iii) you knowingly, freely, and voluntarily agree to all of the terms and conditions in this Agreement, including, without limitation, the General Release; (iv) you have received good and valuable consideration for signing this Agreement, which is in addition to anything of value you were otherwise entitled to receive; (v) you were given at least ample opportunity to consider the terms of this Agreement and consult with counsel; (vi) you have seven (7) days after signing this Agreement to revoke the release in this paragraph by delivering a notice of revocation to the CEO or General Counsel at Company before the end of this seven-day period; and (vii) you understand that the General Release does not apply to rights and claims that may arise after you sign this Agreement.

Indemnification. Additionally, Consultant agrees to indemnify and hold harmless the Company and its affiliates and their directors, officers and employees from and against all taxes, losses, damages, liabilities, costs and expenses, including attorneys' fees and other legal expenses, arising directly or indirectly from or in connection with (i) any negligent, reckless or intentionally wrongful act of Consultant or Consultant's assistants, employees, contractors or agents, (ii) any breach by the Consultant or Consultant's assistants, employees, contractors or agents of any of the covenants contained in this Agreement, (iii) any failure of Consultant to perform the Services in accordance with all applicable laws, rules and regulations, or (iv) any violation or claimed violation of a third party's rights resulting in whole, or in part, from the Company's use of the Inventions or other deliverables of Consultant under this Agreement.

9. Nonsolicitation

To the fullest extent permitted under applicable law, from the date of this Agreement until twelve (12) months after the termination of this Agreement for any reason (the "***Restricted Period***"), Consultant will not, without the Company's prior written consent, directly or indirectly, solicit any of the Company's employees to leave their employment, or attempt to solicit employees of the Company, either for Consultant or for any other person or entity. Consultant agrees that nothing in this Section 9 shall affect Consultant's continuing obligations under this Agreement during and after this twelve (12) month period, including, without limitation, Consultant's obligations under Section 2.

10. Limitation of Liability

IN NO EVENT SHALL COMPANY BE LIABLE TO CONSULTANT OR TO ANY OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, OR

DAMAGES FOR LOST PROFITS OR LOSS OF BUSINESS, HOWEVER CAUSED AND UNDER ANY THEORY OF LIABILITY, WHETHER BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHER THEORY OF LIABILITY, REGARDLESS OF WHETHER COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. IN NO EVENT SHALL COMPANY'S LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT EXCEED THE AMOUNTS PAID BY COMPANY TO CONSULTANT UNDER THIS AGREEMENT FOR THE SERVICES, DELIVERABLES OR INVENTION GIVING RISE TO SUCH LIABILITY.

11. Miscellaneous

A. ***Governing Law; Consent to Personal Jurisdiction*.** This Agreement shall be governed by the laws of the State of California, without regard to the conflicts of law provisions of any jurisdiction. The Parties hereby expressly consent to the personal and exclusive jurisdiction and venue of the state and federal courts located in San Diego, California.

B. ***Assignability*.** This Agreement will be binding upon Consultant's heirs, executors, assigns, administrators, and other legal representatives, and will be for the benefit of the Company, its successors, and its assigns. There are no intended third-party beneficiaries to this Agreement, except as expressly stated. Except as may otherwise be provided in this Agreement, Consultant may not sell, assign or delegate any rights or obligations under this Agreement. Notwithstanding anything to the contrary herein, Company may assign this Agreement and its rights and obligations under this Agreement to any successor to all or substantially all of Company's relevant assets, whether by merger, consolidation, reorganization, reincorporation, sale of assets or stock, change of control or otherwise.

C. ***Entire Agreement.*** This Agreement constitutes the entire agreement and understanding between the Parties with respect to the subject matter herein and supersedes all prior written and oral agreements, discussions, or representations between the Parties, including, without limitation, that certain Amended and Restated Employment Agreement effective as of May 22, 2018, between Consultant and the Company (the "***Employment Agreement***"). Consultant represents and warrants that Consultant is not relying on any statement or representation not contained in this Agreement. To the extent any terms set forth in any exhibit or schedule conflict with the terms set forth in this Agreement, the terms of this Agreement shall control unless otherwise expressly agreed by the Parties in such exhibit or schedule.

D. ***Headings.*** Headings are used in this Agreement for reference only and shall not be considered when interpreting this Agreement.

E. ***Severability*.** If a court or other body of competent jurisdiction finds, or the Parties mutually believe, any provision of this Agreement, or portion thereof, to be invalid or unenforceable, such provision will be enforced to the maximum extent permissible so as to effect the intent of the Parties, and the remainder of this Agreement will continue in full force and effect.

F. ***Modification, Waiver.*** No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in a writing signed by the Parties. Waiver by the Company of a breach of any provision of this Agreement will not operate as a waiver of any other or subsequent breach.

G. ***Notices*.** Any notice or other communication required or permitted by this Agreement to be given to a Party shall be in writing and shall be deemed given (i) if delivered personally or by commercial messenger or courier service, (ii) when sent by confirmed facsimile, or (iii) if mailed by U.S. registered or certified mail (return receipt requested), to the Party at the Party's address written below or at

such other address as the Party may have previously specified by like notice. If by mail, delivery shall be deemed effective three business days after mailing in accordance with this Section 12.G.

(1) If to the Company, to:

Crinetics Pharmaceuticals, Inc.
10222 Barnes Canyon Road, Building #2
San Diego, CA, 92121
Attention: Garlan Adams
cc. Scott Struthers

(2) If to Consultant, to the address for notice on the signature page to this Agreement or, if no such address is provided, to the last address of Consultant provided by Consultant to the Company in accordance with this Agreement.

H. ***Attorneys' Fees.*** In any court action at law or equity that is brought by one of the Parties to this Agreement to enforce or interpret the provisions of this Agreement, the prevailing Party will be entitled to reasonable attorneys' fees, in addition to any other relief to which that Party may be entitled.

I. ***Signatures.*** This Agreement may be signed in two counterparts, each of which shall be deemed an original, with the same force and effectiveness as though executed in a single document.

J. ***Protected Activity Not Prohibited.*** Consultant understands that nothing in this Agreement shall in any way limit or prohibit Consultant from engaging in any Protected Activity. For purposes of this Agreement, "***Protected Activity***" shall mean filing a charge, complaint, or report with, or otherwise communicating, cooperating, or participating in any investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Securities and Exchange Commission ("***Government Agencies***"). Consultant understands that in connection with such Protected Activity, Consultant is permitted to disclose documents or other information as permitted by law, and without giving notice to, or receiving authorization from, the Company. Notwithstanding the foregoing, Consultant agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company confidential information to any parties other than the Government Agencies. Consultant further understands that "***Protected Activity***" does not include the disclosure of any Company attorney-client privileged communications. Pursuant to the Defend Trade Secrets Act of 2016, Consultant is notified that an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made in confidence to a federal, state, or local government official (directly or indirectly) or to an attorney *solely* for the purpose of reporting or investigating a suspected violation of law, or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if (and only if) such filing is made under seal. In addition, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the individual's attorney and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

K. ***Publicity***. No oral or written release of any statement, information, advertisement, or publicity matter having any reference to Company, express or implied, shall be used or disclosed by Consultant or on Consultant's behalf, unless and until such matter shall have first been submitted to and received the express written approval of Company.

(*signature page follows*)

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

CRINETICS PHARMACEUTICALS, INC.

By: /s/ R. Scott Struthers
Name: R. Scott Struthers
Title: Chief Executive Officer

AJAY MADAN (CONSULTANT)

/s/ Ajay Madan
Ajay Madan

EXHIBIT A

SERVICES AND COMPENSATION

1. Services. Consultant will render to Company the following Services:

Provide expert consulting services up to a maximum of 20 hours per month to Company regarding matters relating to

- Compound manufacturing and control, regulatory affairs, nonclinical ADME/PK/tox and clinical pharmacology;
- historical and strategic insight regarding Crinetics' inventions and its patent prosecution efforts, and
- development procedures and activities.

Generally, Consultant will collaborate and provide advice and assistance to Company as is mutually agreed by the Parties, specifically including performance evaluation for prior Crinetics direct reports as well as transitioning leadership responsibilities to others within Crinetics. Nothwithstanding the foregoing, Company does not intend to disclose material non public information to Consultant pursuant to this Agreement.

2. Compensation.

- Company shall pay Consultant a monthly retainer of $37,346.
- Company shall reimburse Consultant for all reasonable travel and out-of-pocket expenses incurred by Consultant in performing Services pursuant to this Agreement that are pre-approved by Company.
- Consultant shall submit to Company all statements for expenses incurred and Services performed on a monthly basis in a form prescribed by Company.
- Consultant holds outstanding equity awards granted to Consultant by the Company in connection with his employment with the Company (collectively, the "***Company Awards***") under the Company's 2015 Stock Incentive Plan (the "***2015 Plan***") and the 2018 Incentive Award Plan (the "***2018 Plan***"). There shall be no break in service as a result of Consultant's conversion from an employee of the Company to an independent contractor and consultant to the Company for purposes of Consultant's outstanding Company Awards. As further compensation for the Services to be rendered pursuant to this Agreement, Consultant's Company Awards shall continue to be eligible to vest during the term of his Services pursuant to this Agreement in accordance with the terms of the Company Award agreements pursuant to which such Company Awards were granted. As a result, the termination of Consultant's Services under this Agreement will constitute a termination of Consultant's "Continuous Service" for purposes of the 2015 Plan and the Company Awards granted thereunder, and a "Termination of Service" for purposes of the 2018 Plan and the Company Awards granted thereunder. Except as modified above, Consultant's Company Awards shall continue to be governed by the terms and conditions of the Company Award agreements and the Company's equity plans pursuant to which such Company Awards were granted.

In the event of Consultant's termination of Services under this Agreement by reason of Consultant's death or discharge by the Company following Consultant's Permanent Disability (as defined below), the vesting and/or exercisability of 100% of Consultant's outstanding unvested Company Awards shall be automatically accelerated on the date of Consultant's termination of Services.

In the event of a Change in Control (as defined below), the vesting and/or exercisability of 100% of Consultant's outstanding unvested Company Awards shall be automatically accelerated on the first to occur of (A) the Company's involuntary termination of Consultant's Services under this Agreement without Cause following such Change in Control, or (B) the first anniversary of the closing of such Change in Control.

Each of Consultant's outstanding Company Award agreements is hereby amended to be consistent with the foregoing.

For purposes of this Agreement, "***Cause***" means any of the following: (i) the commission of an act of fraud, embezzlement or dishonesty by Consultant, or the commission of some other illegal act by Consultant, that causes material harm to the Company or any successor or affiliate thereof; (ii) Consultant's conviction of, or plea of "guilty" or "no contest" to, a felony or any crime involving fraud, dishonesty or moral turpitude under the laws of the United States or any state thereof; (iii) any intentional unauthorized use or disclosure by Consultant of confidential information or trade secrets of the Company or any successor or affiliate thereof; (iv) Consultant's gross negligence, insubordination or material violation of any duty of loyalty to the Company or any successor or affiliate thereof, or any other material misconduct on the part of Consultant; (v) Consultant's ongoing and repeated failure or refusal to perform or neglect of Consultant's duties as required by this Agreement, which failure, refusal or neglect continues for fifteen (15) days following Consultant's receipt of written notice from the Board or the Company's Chief Executive Officer (the "***CEO***") stating with specificity the nature of such failure, refusal or neglect; or (vi) Consultant's intentional, material breach of any Company policy or any contract or agreement between Consultant and the Company or any successor or affiliate thereof; provided, however, that prior to the determination that "Cause" under clauses (iv), (v) or (vi) has occurred, the Company shall (A) provide to Consultant in writing, in reasonable detail, the reasons for the determination that such "Cause" exists, (B) other than with respect to clause (v) above which specifies the applicable period of time for Consultant to remedy his or her breach, afford Consultant a reasonable opportunity to remedy any such breach, (C) provide Consultant an opportunity to be heard prior to the final decision to terminate Consultant's Services hereunder for such "Cause" and (D) make any decision that such "Cause" exists in good faith.

For purposes of this Agreement, "***Change in Control***" shall have the meaning given to such term in the Company's 2018 Incentive Award Plan.

For purposes of this Agreement, "***Permanent Disability***" shall be deemed to have occurred if Consultant shall become physically or mentally incapacitated or disabled or otherwise unable fully to discharge his or her duties hereunder for a period of ninety (90) consecutive calendar days or for one hundred twenty (120) calendar days in any one hundred eighty (180) calendar-day period. The existence of Consultant's Permanent Disability shall be determined by the Company on the advice of a physician chosen by the Company and the Company reserves the right to have Consultant examined by a physician chosen by the Company at the Company's expense.

EXHIBIT B

OUTSIDE ENTITIES

NONE

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, R. Scott Struthers, Ph.D., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crinetics Pharmaceuticals, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: May 12, 2022

/s/ R. Scott Struthers, Ph.D.

R. Scott Struthers, Ph.D.

President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Marc J.S. Wilson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crinetics Pharmaceuticals, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: May 12, 2022

/s/ Marc J.S. Wilson

Marc J.S. Wilson

Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Crinetics Pharmaceuticals, Inc. (the "Company") hereby certifies, to his knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended March 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

/s/ R. Scott Struthers, Ph.D.
R. Scott Struthers, Ph.D.
President and Chief Executive Officer

Date: May 12, 2022

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Crinetics Pharmaceuticals, Inc. (the "Company") hereby certifies, to his knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended March 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

/s/ Marc J.S. Wilson
Marc J.S. Wilson
Chief Financial Officer

Date: May 12, 2022