



Cytokinetics Announces Proposed Public Offering of Convertible Senior Notes

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SOUTH SAN FRANCISCO, Calif., Nov. 06, 2019 (GLOBE NEWSWIRE) -- Cytokinetics, Incorporated (Nasdaq: CYTK) today announced that it expects to sell, subject to market and other conditions, an aggregate of \$100.0 million principal amount of its convertible senior notes due 2026, or the notes, in an underwritten public offering. Cytokinetics expects to grant the underwriters a 30-day option to purchase up to an additional \$15.0 million aggregate principal amount of the notes in connection with the offering, solely to cover over-allotments. All of the notes will be sold by Cytokinetics.

The notes will be senior unsecured obligations of Cytokinetics and will accrue interest payable semiannually in arrears. The notes will be convertible in certain circumstances into cash, shares of Cytokinetics' common stock, or a combination of cash and shares of Cytokinetics' common stock, at Cytokinetics' election. The interest rate, initial conversion rate and other terms of the notes will be determined at the time of the pricing of the offering.

Cytokinetics intends to use the net proceeds from the proposed offering to fund (i) the continued development of and commercial readiness activities associated with *omecantiv mecarbil*, (ii) the continued clinical development of CK-274 and related compounds in indications associated with hypertrophic cardiomyopathies and related diseases associated with diastolic dysfunction and cardiac fibrosis, including heart failure with preserved ejection fraction, (iii) the continued clinical development of *reldesemtiv* in patients with amyotrophic lateral sclerosis and spinal muscular atrophy, including potential Phase 3 clinical trials and other commercial readiness activities, and (iv) working capital and other general corporate purposes, including tenant improvement of the new facility Cytokinetics plans to move into in 2021, capital expenditures, debt service or retirement of debt, including existing debt outstanding under Cytokinetics' loan and security agreement. Cytokinetics also intends to use a portion of the net proceeds from the proposed offering to pay the cost of the capped call transaction described below.

In connection with the pricing of the notes, Cytokinetics expects to enter into a privately negotiated capped call transaction (together with any additional capped call transactions entered into in connection with the exercise by the underwriters of their over-allotment option as described below, the capped call transactions) with one of the underwriters in the offering or its affiliate, or the capped call counterparty. The capped call transactions will cover, subject to customary adjustments, the number of shares of Cytokinetics' common stock that will initially underlie the notes. The capped call transactions are generally expected to reduce the potential dilution of Cytokinetics' common stock and/or offset any cash payments Cytokinetics is required to make in excess of the principal amount of converted notes, as the case may be, as a result of any conversion of the notes, with such reduction and/or offset subject to a cap. If the underwriters in the offering exercise their over-allotment option, Cytokinetics expects to use a portion of the net proceeds from the sale of the additional notes to enter into an additional capped call transaction with the capped call counterparty.

In connection with establishing its initial hedge of the capped call transactions, the capped call counterparty or its affiliates expect to purchase shares of Cytokinetics' common stock and/or enter into various derivative transactions with respect to Cytokinetics common stock concurrently with or shortly after the pricing of the notes, including with certain investors in the notes. This activity could increase (or reduce the size of any decrease in) the market price of Cytokinetics' common stock or the notes at that time.

In addition, the capped call counterparty or its affiliates may modify its hedge positions by entering into or unwinding various derivatives with respect to Cytokinetics' common stock and/or purchasing or selling Cytokinetics' common stock or other securities of Cytokinetics in secondary market transactions following the pricing of the notes and prior to the maturity of the notes (and are likely to do so on each exercise date of the capped call transaction, which are expected to occur during the 60 trading day period beginning on the 61st scheduled trading day prior to the maturity date of the notes, or following any termination of any portion of the capped call transaction in connection with any repurchase, redemption or early conversion of the notes). This activity could also cause or avoid an increase or decrease in the market price of Cytokinetics' common stock or the notes, which could affect noteholders' ability to convert the notes and, to the extent the activity occurs during any observation period related to a conversion of the notes, affect the amount and value of the consideration that noteholders will receive upon conversion of the notes.

Morgan Stanley & Co. LLC and Mizuho Securities are acting as joint book-runners for the offering. JMP Securities is acting as lead manager.

An automatic shelf registration statement relating to the notes was previously filed with the Securities and Exchange Commission, or SEC, and became immediately effective on November 6, 2019. The offering will be conducted by means of prospectus supplement and accompanying prospectus. The preliminary prospectus supplement and the accompanying prospectus relating to and describing the terms of the proposed offering is expected to be filed with the SEC and, if and when filed, will be available on the SEC's website at www.sec.gov. Copies of the preliminary prospectus supplement and the accompanying prospectus related to the offering may also be obtained by contacting: Morgan Stanley & Co. LLC, Attention: Prospectus Department, 180 Varick Street, 2nd Floor, New York, New York 10014; or Mizuho Securities USA LLC, Attn: Equity Capital Markets, 320 Park Avenue, 12th Floor, New York, NY 10022-6815, by telephone (212) 205-7600, or by email: US-ECM@us.mizuho-sc.com.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the notes, nor shall there be any sale of the notes in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Cytokinetics

Cytokinetics is a late-stage biopharmaceutical company focused on discovering, developing and commercializing first-in-class muscle activators and next-in-class inhibitors as potential treatments for debilitating diseases in which muscle performance is compromised and/or declining.

Forward-Looking Statements

Certain of the statements made in this press release are forward looking, such as those, among others, relating to Cytokinetics' expectations regarding the completion, use of proceeds, timing and size of the proposed offering and the capped call transactions. Actual results or developments may differ materially from those projected or implied in these forward-looking statements. Factors that may cause such a difference include, without limitation, risks and uncertainties related to whether or not Cytokinetics will be able to raise capital through the sale of its securities, the final terms of the proposed offering, market and other conditions, and the satisfaction of customary closing conditions related to the proposed offering. There can be no assurance that Cytokinetics will be able to complete the proposed offering on the anticipated terms, or at all. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this press release. Additional risks and uncertainties relating to the proposed offering, Cytokinetics and its business can be found under the heading "Risk Factors" in Cytokinetics' Annual Report on Form 10-K for the year ended December 31, 2018 and other filings with the SEC, and in the preliminary prospectus supplement related to the proposed offering to be filed with the SEC on or about the date hereof. Except as otherwise required by law, Cytokinetics does not undertake any obligation to update forward-looking statements and expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements

contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

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