

---

---

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

---

**FORM 8-K**

---

**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): July 19, 2022**

---

**Gritstone bio, Inc.**  
(Exact name of registrant as specified in its charter)

---

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-38663**  
(Commission  
File Number)

**47-4859534**  
(IRS Employer  
Identification Number)

**5959 Horton Street, Suite 300  
Emeryville, California 94608**  
(Address of principal executive offices, including Zip Code)

**Registrant's telephone number, including area code: (510) 871-6100**

---

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common Stock, par value \$0.0001</b>	<b>GRTS</b>	<b>The Nasdaq Global Select Market</b>

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

---

---

**Item 1.01 Entry into a Material Definitive Agreement.**

On July 19, 2022, Gritstone bio, Inc. (the “Company”) entered into a Loan and Security Agreement with Hercules Capital, Inc., as administrative agent and collateral agent for itself and the other lenders, Silicon Valley Bank and the financial institutions or entities from time to time party thereto, each as a lender (the “Loan Agreement”).

The Loan Agreement provides a 60-month term loan facility for up to \$80.0 million in borrowing capacity over five tranches. At the closing on July 19, 2022, the Company drew \$20.0 million under the first tranche and can draw up to \$10.0 million additional on or prior to March 15, 2023. The remaining tranches provide up to an additional \$50.0 million in borrowing capacity, which are subject to the achievement of certain performance milestones.

Borrowings under the Loan Agreement bear interest (i) at an annual cash rate equal to the greater of (x) the lesser of (1) the prime rate (as customarily defined) and (2) 5.50%, in either case, plus 3.15%, and (y) 7.15% and (ii) at an annual payment-in-kind rate which may equal 2.00%. Interest is payable monthly in arrears on the first business day of each month and on the maturity of the Loan Agreement.

At the Company’s option, the Company may prepay all or any portion of the outstanding borrowings, plus accrued and unpaid interest thereon and fees and expenses, subject to a prepayment premium ranging from 1.0% to 2.5%, during the first three years after closing, depending on the year of such prepayment. In addition, the Company paid a \$150,000 facility charge upon closing, and shall pay a facility charge equal to 0.50% of the principal amount of any borrowings made pursuant to the amounts under the last four tranches. The Loan Agreement also provides for an end of term charge equal to 5.75% of the aggregate original principal amount of the loans so prepaid or repaid, as applicable.

The term loan is secured by substantially all of the Company’s assets, other than intellectual property. The Loan Agreement and other ancillary documents contain customary representations and warranties and affirmative and negative covenants, including a covenant against the occurrence of a “change of control” and financial reporting obligations, and certain limitations on indebtedness, liens (including a negative pledge on intellectual property and other assets), investments, distributions (including dividends), collateral, investments, transfers, mergers or acquisitions, taxes, corporate changes, and deposit accounts. Beginning on April 1, 2023, so long as the Company’s market capitalization is equal to or less than \$400,000,000, the Company is subject to a minimum liquidity requirement equal to the then outstanding balance under the Loan Agreement multiplied by 0.55 or 0.45, which multiplier depends on whether the Company achieves certain performance milestones.

The Loan Agreement includes customary events of default, including payment defaults, breaches of covenants following any applicable cure period, the occurrence of certain events that could reasonably be expected to have a “material adverse effect”, cross default to certain third-party indebtedness and certain events relating to bankruptcy or insolvency. Upon the occurrence of an event of default, a default interest rate of an additional 4.0% may be applied to the outstanding principal and interest payments due, and the lenders may declare all outstanding obligations immediately due and payable and take such other actions as set forth in the Loan Agreement, including proceeding against the collateral securing such borrowings.

The foregoing description of the material terms of the Loan Agreement is qualified in its entirety by the terms and conditions of the Loan Agreement .

On July 21, 2022, the Company issued a press release regarding the Loan Agreement and other matters, a copy of which will be filed as an exhibit to the Company’s Quarterly Report on Form 10-Q for the period ending September 30, 2022.

**Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information set forth under Item 1.01 is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press Release dated July 21, 2022</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

**SIGNATURES**

Pursuant to the requirements 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 hereunto duly authorized.

**GRITSTONE BIO, INC.**

Date: July 22, 2022

By: /s/ Andrew Allen

Andrew Allen

President and Chief Executive Officer



**Gritstone Establishes Credit Facility for Up to \$80 Million with Hercules Capital and Silicon Valley Bank**

July 21, 2022

EMERYVILLE, Calif., July 21, 2022 (GLOBE NEWSWIRE) — Gritstone bio, Inc. (Nasdaq: GRTS), a clinical-stage biotechnology company that aims to develop the world's most potent vaccines, today announced it has entered into an \$80 million credit facility with Hercules Capital, Inc. (NYSE: HTGC) and Silicon Valley Bank.

“This non-dilutive facility enhances our financial flexibility as we enter a period of multiple potential value-creating milestones for Gritstone,” said Andrew Allen, M.D., Ph.D., Co-founder, President, and Chief Executive Officer of Gritstone. “We anticipate several data readouts over the next 18 months, beginning with our SLATE-KRAS product candidate later this quarter. We believe our self-amplifying mRNA (samRNA) platform is an attractive asset with great utility across both oncology and a wide array of infectious diseases. We hope to continue unlocking its value in infectious diseases with data from our CORAL program later this year. Establishing this facility reduces our dependence on the capital markets and enables us to focus on executing against our clinical, operational, and strategic goals.”

Under the terms of the \$80 million credit facility, \$20 million was drawn at closing with an additional \$10 million available for drawdown by March 15, 2023. The remaining \$50 million becomes available in tranches through June 15, 2024, upon achievement of certain milestones by Gritstone. Gritstone is under no obligation to draw funds in the future, and there are no warrants associated with the transaction.

“We are excited to secure this customized credit facility with favorable terms amidst the current market environment,” said Celia Economides, Executive Vice President and Chief Financial Officer of Gritstone. “We believe this \$80 million credit facility reflects the significant value inherent in our innovative platform and, together with capital conservation measures we've implemented, meaningfully extends our cash runway.”

“Hercules is pleased to partner with Gritstone as it advances its clinical stage programs and continues expanding its footprint in infectious diseases,” stated Himani Bhalla, Managing Director at Hercules Capital. “This credit facility aims to help Gritstone deliver its novel vaccines to improve patient outcomes and eliminate disease and is yet another example of Hercules' capabilities to support innovative growth-stage life science companies,” said Cristy Barnes, Managing Director at Hercules Capital.

“We are delighted to work with Hercules and support Gritstone's continued growth and innovative platform in developing powerful vaccines and treating, and preventing, cancer and infectious diseases,” said Michael White, Managing Director at Silicon Valley Bank.

Capital Advisors Group served as Gritstone's financial advisor in connection with the credit facility.

Additional details of the loan agreement will be filed with the Securities and Exchange Commission on a Current Report on Form 8-K.

#### **About Gritstone bio**

Gritstone bio, Inc. (Nasdaq: GRTS) is a clinical-stage biotechnology company that aims to create the world's most potent vaccines. We leverage our innovative vectors and payloads to train multiple arms of the immune system to attack critical disease targets. Independently and with our collaborators, we are advancing a portfolio of product candidates to treat and prevent viral diseases and solid tumors in pursuit of improving patient outcomes and eliminating disease. [www.gritstonebio.com](http://www.gritstonebio.com)

#### **Gritstone Forward-Looking Statements**

This press release contains forward-looking statements, including, but not limited to, statements related to the potential of Gritstone's therapeutic programs; the advancements in the company's ongoing clinical trials; the timing of data announcements related to ongoing clinical trials and the initiation of future clinical trials. Such forward-looking statements involve substantial risks and uncertainties that could cause Gritstone's research and clinical development programs, future results, performance or achievements to differ significantly from those expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the uncertainties inherent in the drug development process, including Gritstone's programs' clinical stage of development, the process of designing and conducting preclinical and clinical trials, the regulatory approval processes, the timing of regulatory filings, the challenges associated with manufacturing drug products, Gritstone's ability to successfully establish, protect and defend its intellectual property and other matters that could affect the sufficiency of existing cash to fund operations. Gritstone undertakes no obligation to update or revise any forward-looking statements. For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to the business of the company in general, see Gritstone's most recent Quarterly Report on Form 10-Q filed on May 5, 2022 and any current and periodic reports filed with the Securities and Exchange Commission.

## Gritstone Contacts

### Media:

Ashlea Kosikowski

1AB

[ashlea@labmedia.com](mailto:ashlea@labmedia.com)

### Investors:

George E. MacDougall

Director, Investor Relations & Corporate Communications

Gritstone bio

[Ir@gritstone.com](mailto:Ir@gritstone.com)

