

**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 14, 2023



**EVELO BIOSCIENCES, INC.**  
(Exact name of registrant as specified in its charter)

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

**001-38473**  
(Commission  
File Number)

**46-5594527**  
(I.R.S. Employer  
Identification No.)

**620 Memorial Drive**  
**Cambridge, Massachusetts 02139**  
(Address of principal executive offices) (Zip Code)

**(617) 577-0300**  
(Registrant's telephone number, including area code)

**N/A**  
(Former Name or Former Address, if Changed Since Last Report)

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:**

| <u>Title of each class</u>                   | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|--|--------------------------|--|
| Common Stock,<br>\$0.001 par value per share | EVLO                     | Nasdaq Global Select Market                      |

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 14, 2023, Evelo Biosciences, Inc. (the "Company"), entered into a Sublease Termination and Surrender Agreement (the "Termination Agreement") with Bio-Rad Laboratories, Inc. ("Bio-Rad"), pursuant to which the parties agreed to terminate that certain Sublease Agreement, by and between the Company and Bio-Rad, dated as of December 27, 2017 (the "Sublease"), effective as of September 15, 2023 (the "Effective Date"). Under the Sublease, the Company leases approximately 40,765 square feet of office and laboratory space located at 620 Memorial Drive in Cambridge, Massachusetts (the "Premises"). The Sublease was previously scheduled to terminate, in accordance with its terms, on September 30, 2025, unless sooner terminated or cancelled in accordance with the terms and conditions of the Sublease. As of the Effective Date, the Company shall have no further subleasehold or other right, title, or interest in the Premises. In exchange for the early termination of the Sublease pursuant to the Termination Agreement, the Company agreed to make a one-time termination payment to Bio-Rad in the amount of \$523,556 and Bio-Rad is also entitled to draw on a letter of credit in an amount equal to \$850,000 and retain such proceeds. Further, Bio-Rad may be entitled to an additional payment of up to \$2,500,000 in connection with the Company's completion of a Monetization Event (as defined in the Termination Agreement).

The foregoing description of the Termination Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Termination Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K.

**Item 1.02 Termination of a Material Definitive Agreement.**

The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 1.02.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

| <b>Exhibit No.</b> | <b>Description</b>  |
|--------------------|---|
| 10.1               | <a href="#">Sublease Termination and Surrender Agreement, executed as of July 14, 2023, by and between Evelo Biosciences, Inc. and Bio-Rad Laboratories, Inc.</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, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EVELO BIOSCIENCES, INC.

Date: July 20, 2023

By: /s/ Marella Thorell  
Marella Thorell  
Chief Financial Officer and Treasurer

**SUBLEASE TERMINATION AND SURRENDER AGREEMENT**

This **SUBLEASE TERMINATION AND SURRENDER AGREEMENT** (this "**Agreement**") is made as of July 10, 2023, by and between Bio-Rad Laboratories, Inc., a Delaware corporation, having its principle place of business at 1000 Alfred Nobel Drive, Hercules, California 94547 ("**Sublandlord**"), and Evelo Biosciences, Inc., a Delaware corporation, having an office at 620 Memorial Dr. #500, Cambridge, MA 02139 ("**Subtenant**").

**BACKGROUND:**

- A. Reference is made to a certain Sublease dated December 27, 2017 (the "**Sublease**"), by and between Sublandlord and Subtenant, demising approximately 40,765 rentable square feet of space on the first (1<sup>st</sup>), fourth (4<sup>th</sup>) and fifth (5<sup>th</sup>) floors of the building located at 620 Memorial Drive, Cambridge, Massachusetts, as more particularly described in the Lease (the "**Subleased Premises**"). Capitalized terms used but not defined herein shall have the same meaning as in the Sublease.
- B. Sublandlord and Subtenant are the present holders, respectively, of the sublessor's and sublessee's interest in the Sublease.
- C. Sublandlord and Subtenant have agreed to terminate the Sublease and allow Subtenant to surrender the Subleased Premises all as set forth herein.

**AGREEMENT:**

NOW, THEREFORE, in consideration of the mutual agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sublandlord and Subtenant hereby mutually agree as follows:

1. **Termination.** Subject to the terms and conditions of this Agreement, the Sublease and Subtenant's use and occupancy of the Subleased Premises shall be terminated effective as of September 15, 2023 (the "**Effective Date**"), as if such date was the last day of the Term of the Sublease. As of the Effective Date, Subtenant shall have no further subleasehold or other right, title, or interest in the Subleased Premises, pursuant to the Sublease or otherwise. Subtenant shall permit Sublandlord's representatives reasonable access to Subleased Premises during normal business hours to show the property to potential tenants, upon given 24 hours advanced written notice (with confirmation received) to Marella Thorell, Subtenant's Chief Financial Officer at [REDACTED] or [REDACTED] and provided activities are not disruptive to Subtenant's normal business operations.
2. **Termination Payment; Contingent Consideration.** In consideration for Sublandlord's execution of this Agreement, (a) Subtenant shall pay to Sublandlord the sum of five hundred twenty-five thousand and 00/100 Dollars (\$523,556.00) in full satisfaction of Subtenant's remaining obligation to pay Base Rent and Additional Rent for the remainder of the Term, and (b) Sublandlord shall be entitled to draw on the Letter of Credit in an amount equal to Eight Hundred Fifty Thousand and 00/100 Dollars (\$850,000.00) and shall retain such proceeds (collectively, the "**Termination Payment**"). If Subtenant completes a Monetization Event (as defined below), Sublandlord shall be entitled to an additional payment of up to Two Million Five Hundred Thousand and 00/100 Dollars (\$2,500,000.00) (the "**Contingent Consideration**"), calculated and payable as noted in the table below. As used herein, "**Monetization Event**" shall mean the consummation of: (i) a sale of all or substantially all of the assets of Subtenant; (ii) the out-licensing of Subtenant's EDP-2939 asset with upfront proceeds; or (iii) a sale of the Subtenant's equity securities for cash or receipt of financing in cash.

| <u>Monetization Event</u>  | <u>Amount of Contingent Consideration Due</u> | <u>Timing of Contingent Consideration Payment</u>  |
|--|---|--|
| Sales of all or substantially all of the assets of Subtenant   | \$2,500,000                                   | Payable in full upon receipt of the sale proceeds by Subtenant   |
| Sale of Subtenant's equity securities for cash in which cash proceeds received are; or completion of an out-licensing deal in which up-front cash received in the licensing deal is; or completion of a financing in which the cash received is: |   |  |
| At least \$15 Million, but less than \$20 Million  | \$1,000,000                                   | 50% payable upon receipt of the proceeds by Subtenant and 50% payable in 2 equal installments at the end of each of the two calendar quarters following the calendar quarter in which the first payment is made by Subtenant |
| At least \$20 Million, but less than \$25 Million  | \$1,500,000                                   |  |
| At least \$25 Million, but less than \$30 Million  | \$2,000,000                                   |  |
| \$30 Million or greater  | \$2,500,000                                   |  |

3. Surrender. On or before the Effective Date, Subtenant shall quit, vacate and yield- up the Subleased Premises in the condition required under the Sublease, including without limitation, Section 18 thereof.

4. Representations and Warranties. Subtenant hereby represents and warrants to Sublandlord that as of the date of this Agreement and as of the Effective Date: (a) Subtenant has now and will have the full right, legal power, and actual authority to enter into this Agreement and to terminate the Sublease without the consent or approval of any person, firm, or entity; and (b) there are not now and will be no other contracts or obligations of Subtenant relating to the Sublease or the Subleased Premises that shall in any way be binding upon, or result in liability to, Sublandlord, including, without limitation, utility service contracts, maintenance contracts, subleases, or license agreements. Subtenant shall indemnify, protect, defend, and hold harmless Sublandlord and its agents, employees, and partners from and against any and all claims, damages, costs, liens, judgments, penalties, reasonable attorneys' and consultants' fees, expenses, and/or liabilities arising out of, involving, or in connection with any claim(s) as a result of any inaccuracy of these representations and warranties.

5. Mutual Release. Subtenant hereby releases and forever discharges Sublandlord and its trustees, officers, directors, shareholders, agents, representatives, employees, members, managers, partners, attorneys, affiliates, subsidiaries, parent, assigns and beneficiaries, as of the Effective Date, of and from all debts, demands, actions, causes of action, suits, accounts, covenants, contracts, agreements, damages and any and all claims, demands and liabilities whatsoever of every name and nature, both at law and in equity, which Subtenant ever had, now has or ever had regarding the Sublease or the Subleased Premises except for (a) breaches of this Agreement, (b) the obligations expressly stated to survive the termination of the Sublease and (c) the claims for which Sublandlord is obligated to indemnify Subtenant pursuant to the Sublease. Subject to Subtenant vacating and surrendering the Subleased Premises in the condition required in this Agreement and making the Termination Payment and, if applicable, the Contingent Consideration, Sublandlord hereby releases and forever discharges Subtenant and its trustees, officers, directors, shareholders, agents, representatives, employees, members, managers, partners, attorneys, affiliates, subsidiaries, parent, assigns and beneficiaries, as of the Effective Date, of and from all debts, demands, actions, causes of action, suits, accounts, covenants, contracts, agreements, damages and any and all claims, demands and liabilities whatsoever of every name and nature, both at law and in equity, which Sublandlord now has or ever had regarding the Sublease or the Subleased Premises, except for (i) breaches of this Agreement, (ii) the obligations expressly stated to survive the termination of the Sublease and (iii) the claims of third parties for which Subtenant is obligated to indemnify Sublandlord pursuant to the Sublease. This paragraph shall not apply to any claims or actions resulting from a breach of this Agreement.

6. Further Assurances. Subtenant shall execute and deliver further instruments of transfer and assignment and take such other action as Sublandlord may reasonably require to effectuate the terms and conditions of this Agreement more effectively.

7. Entire Agreement; No Amendment. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject of this Agreement and shall supersede all prior written and oral agreements concerning this subject matter. This Agreement may not be amended, modified, or otherwise changed in any respect whatsoever except by a writing duly executed by authorized representatives of Sublandlord and Subtenant. The terms of this Agreement shall survive the termination of the Sublease. Each party acknowledges that it has read this Agreement, fully understands all of this Agreement's terms and conditions, and executes this Agreement freely, voluntarily, and with full knowledge of its significance. Each party to this Agreement has had the opportunity to receive the advice of counsel prior to the execution hereof.

8. Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute one agreement, even though all parties do not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page was an original thereof. Upon the request of either party, the original party shall execute a deliver a hard-copy original to the requesting party.

[Signature Page to Follow]

This SUBLEASE TERMINATION AND SURRENDER AGREEMENT is executed by Sublandlord and Subtenant as of the date first set forth above.

SUBLANDLORD:

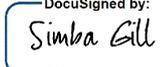
**BIO-RAD LABORATORIES, INC.,**  
a Delaware corporation

By:  2E791CEF0FD9404...

Name: Norman Schwartz  
Title: President and Chief Executive Officer

SUBTENANT:

**EVELO BIOSCIENCES, INC.,**  
a Delaware corporation,

By:  37C472B578A8459...

Name: Balkrishan (Simba) Gill, Ph.D.  
Title: President and Chief Executive Officer

July 14, 2023

*[Signature Page to Sublease Termination and Surrender Agreement]*