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): June 16, 2021

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

Delaware	**001-38473**	**46-5594527**
(State or other jurisdiction of incorporation or organization)	**(Commission File Number)**	**(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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $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 June 16, 2021, Evelo Biosciences, Inc. (the "*Company*") entered into a Fourth Amendment (the "*Fourth Amendment*") to a Loan and Security Agreement dated July 19, 2019 (the "*Loan Agreement*") with each other borrower party thereto, each lender party thereto (the "*Lenders*"), K2 HealthVentures LLC, as administrative agent for the Lenders (the "*Administrative Agent*"), and Ankura Trust Company, LLC, as collateral agent for the Lenders, pursuant to which (i) the existing $15,000,000 third tranche commitment was replaced and superseded with a new $15,000,000 fourth tranche commitment, which is available to be funded on the Fourth Amendment Effective Date (as defined in the Fourth Amendment), (ii) the Lenders may convert up to $5,000,000 of outstanding principal of the Loans (as defined in the Loan Agreement) into shares of the Company's common stock, (iii) the interest-only period is extended through February 2023, with the first amortization payment on March 1, 2023, (iv) prior to January 1, 2022, at the Company's election, the amortization schedule can be adjusted to be based on a 30-month repayment period, and if so adjusted, upon final payment or prepayment of the loans, the Company must pay a final payment equal to 4.8% of the loans borrowed, and (v) at the Company's election, the Company may prepay the loans, subject to a prepayment fee of 2% of the amount prepaid if such prepayment occurs no later than the 18-month anniversary of the Fourth Amendment Effective Date, or if the prepayment occurs after the 18-month anniversary of the Fourth Amendment Effective Date 1% of the amount prepaid. All of the other terms and conditions of the Loan Agreement remain unchanged and in full force and effect.

In addition, in connection with the entry into the Fourth Amendment, the Company also issued to K2 HealthVentures Equity Trust LLC, an affiliate of the Administrative Agent, a warrant to purchase up to 139,770 shares of the Company's common stock, with an exercise price of $13.30 per share (the "*Bank Warrant*"). The Bank Warrant is exercisable immediately and expires on June 16, 2031, provided that, under certain circumstances, the Bank Warrant may terminate and expire earlier in connection with the closing of certain acquisition transactions involving the Company. The Bank Warrant provides that the holder thereof may elect to exercise the warrant on a net "cashless" basis at any time prior to the expiration thereof. The fair market value of one share of the Company's common stock in connection with any cashless exercise shall be the closing price or last sale price per share of the Company's common stock on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market on which the Company's common stock is traded on the business day immediately prior to the date the holder elects to exercise the Bank Warrant on a cashless basis.

The foregoing descriptions of the Fourth Amendment and the Bank Warrant are not complete and are qualified in their entirety by reference to the full text of the Fourth Amendment and the Bank Warrant, copies of which are filed as Exhibits 10.1 and 4.1, respectively, to this Current Report on Form 8-K and are incorporated by reference herein.

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 above in Item 1.01 of this Current Report on Form 8-K regarding the Company's direct financial obligation under the Fourth Amendment is incorporated into this Item 2.03 by reference.

Item 3.02. Unregistered Sales of Equity Securities.

The description of the Bank Warrant and the issuance and sale of shares of the Company's common stock thereunder set forth in Item 1.01 above is incorporated by reference into this Item 3.02. The Bank Warrant and the underlying shares of the Company's common stock are being offered and sold in a private placement that is exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No	Description
4.1	Warrant to Purchase Common Stock, dated as of June 16, 2021, issued by Evelo Biosciences, Inc. to K2 HealthVentures Equity Trust LLC

10.1	Fourth Amendment, dated of June 16, 2021, to the Loan and Security Agreement by and among Evelo Biosciences, Inc. and the other borrowers party thereto, the lenders party thereto, K2 HealthVentures LLC, as administrative agent for such lenders, and Ankura Trust Company, LLC, as collateral agent for such lenders, dated July 19, 2019, as amended
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: June 17, 2021

By: /s/ Daniel S. Char
Daniel S. Char
General Counsel & Secretary

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR UNTIL SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE COMMON STOCK

Company:	**EVELO BIOSCIENCES, Inc.**, a Delaware corporation
Class of Stock:	Common Stock
Number of Shares:	139,770.
Warrant Price:	$13.30, subject to adjustment in accordance with the terms of Section 2
Issue Date:	June 16, 2021
Expiration Date:	10 years from the Issue Date
Loan Agreement:	This Warrant to Purchase Common Stock ("**Warrant**") is issued in connection with, and as consideration of the commitments pursuant to, that certain Loan and Security Agreement dated as of July 19, 2019, among the Company, the lenders party thereto, K2 HealthVentures LLC, as administrative agent for lenders, and Ankura Trust Company, LLC, as collateral agent for lenders (as amended, restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**"). Capitalized terms used herein without definition, shall have the meanings set forth in the Loan Agreement

This WARRANT TO PURCHASE COMMON STOCK certifies that, for good and valuable consideration, **K2 HEALTHVENTURES EQUITY TRUST LLC** (together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, "**Holder**") is entitled to purchase the number of fully paid and non-assessable shares (the "**Shares**") of the above-stated class, series and type of stock (the "**Class**") of the above-named company (the "**Company**") at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Subject to Section 5.1(a), Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. For purposes of this Warrant, the "**Fair Market Value**" shall mean the following: If the Company's common stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a "**Trading Market**"), the fair market value of a Share shall be the closing price or last sale price of a share of the Company's common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company, if applicable, multiplied by the number of shares of the Company's common stock into which a Share is then convertible. If the Company's common stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise or, if such Shares are not certificated, the Company shall reflect Holder's ownership of such Shares by book entry in the Company's book and records, and, if this Warrant has not been fully exercised and has not expired, the Company shall deliver a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant at Acquisition.

(a) In the event of an Acquisition (as defined below) in which the consideration to be received by the Company's stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a "**Cash/Public Acquisition**"), either (i) Holder shall exercise this Warrant pursuant to Section 1.1 and/or 1.2 and such exercise will be deemed effective immediately prior to and contingent upon the consummation of such Acquisition or (ii) if Holder does not exercise the Warrant, this Warrant will expire immediately prior to the consummation of such Acquisition. Notwithstanding the foregoing, if the Fair Market Value of one Share as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect as of the Business Day immediately prior to the closing date for such Cash/Public Acquisition, and Holder has not exercised this Warrant pursuant to Section 1.1 and/or 1.2 above as to all Shares, then this Warrant shall automatically be deemed to be cashless exercised pursuant to Section 1.2 above as to all Shares effective immediately prior to and contingent upon the consummation of a Cash/Public Acquisition. In connection with such cashless exercise, Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as the date thereof and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon exercise. For the avoidance of doubt, if, immediately prior to the Cash/Public Acquisition, the Fair Market Value of one Share as determined in accordance with Section 1.3 above would not be greater than the Warrant Price in effect on such date, then this Warrant shall terminate without exercise or conversion immediately prior to, and subject to, the closing of such Cash/Public Acquisition.

(b) Upon the closing of any Acquisition other than as described in subsection (a) above, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(c) (i) "**Acquisition**" means a transaction or series of related transactions involving (A) any merger or consolidation of the Company into or with another person or entity, or any other corporate reorganization, as a result of which the stockholders of the Company immediately prior to such transaction own less than a majority of the Company's (or the surviving or successor entity's) outstanding voting power immediately after such transaction, or (B) any sale or other transfer by the stockholders of the Company of capital stock of the Company representing at least a majority of the Company's outstanding combined voting power, as of such date of determination, and (ii) "**Marketable Securities**" means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the

Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in a Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer's shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise or convert this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations or a contractual lock-up provision that is generally applicable to the other former securityholders of the Company receiving such securities, or (y) does not extend beyond six (6) months from the closing of such Acquisition.

1.7 Beneficial Ownership. Notwithstanding anything herein to the contrary, the Company shall not be required to issue a number of Shares upon exercise of this Warrant to the extent that, upon such issuance, the number of Shares of the Class then beneficially owned by Holder and its Affiliates and any group of other persons or entities whose beneficial ownership of the Class would be aggregated with Holder's for purposes of Section 13(d) of the Exchange Act would exceed 9.985% of the total number of Shares of the Class then issued and outstanding (the "**9.985% Cap**"); provided that the 9.985% Cap shall only apply to the extent that the Common Stock is deemed to constitute an "equity security" pursuant to Rule 13d-1(i) promulgated under the Exchange Act. For purposes of this Section 1.7, "group" has the meaning set forth in Section 13(d) of the Exchange Act and applicable regulations of the Securities and Exchange Commission (the "**Commission**"), and the percentage held by Holder shall be determined in a manner consistent with the provisions of Section 13(d) of the Exchange Act. Upon the written request of Holder, the Company shall, within two (2) trading days, confirm to the Holder the number of shares of the Class then outstanding. As used herein, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in common stock or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, converted, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations, substitutions, replacements or other similar events.

2.3 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the Fair Market Value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.4 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, Holder as follows:

(a) All Shares which may be issued upon the exercise of this Warrant shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class, as will be sufficient to permit the exercise in full of this Warrant.

(b) The issuance of this Warrant and the issuance of the Shares issuable upon exercise hereof, does not entitle any other party to exercise preemptive rights, except to the extent waived prior to the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Class, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class; or

(d) effect an Acquisition or to liquidate, dissolve or wind up;

then, in connection with each such event, the Company shall give Holder:

(1) in the case of the matters referred to in (a) and (b) above, at least five (5) Business Days prior written notice of the earlier to occur of the effective date thereof or

the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any; and

(2) in the case of the matters referred to in (c) and (d) above at least ten (10) days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event and copies of all documents to be entered into in connection with such transaction and other information as Holder may require in connection with such transaction and the treatment of this Warrant in connection with such event giving rise to the notice).

SECTION 4. REPRESENTATIONS, WARRANTIES OF HOLDER.

Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the Shares to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise

hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 No Stockholder Rights. Holder, as a holder of this Warrant, will not have any voting rights, rights to receive dividends, rights to receive notice of meetings, subscriptions rights or any other stockholder rights until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 Term and Automatic Exercise Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Eastern Time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the Fair Market Value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Legends. The Shares shall be imprinted with a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE COMPANY TO K2 HEALTHVENTURES EQUITY TRUST LLC DATED JUNE 16, 2021 MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issuable upon exercise of this Warrant may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to any affiliate of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if there is no material question as to the availability of Rule 144 promulgated under the Act and the applicability thereof to such transfer.

5.4 Transfer Procedure. Subject to the provisions of Section 5.3 and upon providing the Company with prior written notice, K2 HealthVentures Equity Trust Llc and any subsequent Holder may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant to any transferee, provided, however, in connection with any such transfer, Holder will give the Company notice of the portion of the Warrant being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that any subsequent transferee shall agree in writing with the Company to be bound by all of the terms and conditions of this Warrant, and provided further, that if no Event of Default shall have occurred and be continuing, Holder shall not transfer or assign (other than as part of an assignment of all of Holder's rights under the Loan Agreement) its interest in Holder's obligations, rights, and benefits under this Warrant and the other Loan Documents to a distressed debt fund. Notwithstanding the foregoing, no part of this Warrant or the Shares issuable upon exercise of this Warrant (or the securities issuable directly or indirectly, upon conversion of the Shares, if any) may be transferred to K2 HealthVentures LLC or an Affiliate of K2 HealthVentures LLC except to a person named as a "Designated Holder" of K2 HealthVentures LLC in the Loan Agreement.

5.5 Notices. All notices and other communications hereunder from the Company to Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

K2 HEALTHVENTURES LLC
855 Boylston Street, 10th Floor
Boston, MA 02116
Attention: Legal Notices
Email: [***]

With a copy to (but not constituting notice):
COOLEY LLP
3175 Hanover Street
Palo Alto, CA 94304-1150
Attention: Cynthia Bai
Email: [***]

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

EVELO BIOSCIENCES, Inc.
620 Memorial Drive, 5th Floor
Cambridge, MA 02139
Attention: Legal and Finance
Emails: [***]

With a copy to (but not constituting notice):

LATHAM & WATKINS LLP
200 Clarendon Street
Boston, MA 02116
Attention: Peter N. Handrinos
Email: [***]

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought. Notwithstanding the foregoing, the last sentence of Section 5.4 may not be changed, waived, discharged or terminated without the express written consent of Ankura Trust Company, LLC. Ankura Trust Company, LLC shall be a third-party beneficiary of this Warrant for purposes of enforcing the preceding sentence.

5.7 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.8 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to its principles regarding conflicts of law.

5.9 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.10 Business Days. "**Business Day**" means any day that is not a Saturday, Sunday or a day on which commercial banks in the State of New York are required or permitted to be closed.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

[SIGNATURE PAGE TO WARRANT TO PURCHASE COMMON STOCK]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Common Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

COMPANY:

EVELO BIOSCIENCES, INC.

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

HOLDER:

K2 HEALTHVENTURES EQUITY TRUST LLC

By: /s/ Parag Shah
Name: Parag Shah
Title: Managing Director and Chief Executive Officer

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right to purchase _____ shares of common stock of Evelo Biosciences, Inc. (the "**Company**") in accordance with the attached Warrant to Purchase Common Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

[ ] Wire transfer of immediately available funds to the Company's account

[ ] Cashless Exercise pursuant to Section 1.2 of the Warrant

[ ] Other [Describe] _____

2. Please issue a certificate or certificates representing the Shares in the name specified below:

_____
Holder's Name

_____

_____
(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Common Stock as of the date hereof.

HOLDER:

_____

By: _____
Name:_____
Title:_____

Date:_____

FOURTH AMENDMENT TO
LOAN AND SECURITY AGREEMENT

This FOURTH AMENDMENT TO LOAN AND SECURITY AGREEMENT (this "**Amendment**") is dated as of June 16, 2021, by and among **EVELO BIOSCIENCES, INC.**, a Delaware corporation ("**Borrower Representative**"), the undersigned lenders, constituting the Required Lenders, and **K2 HEALTHVENTURES LLC**, as administrative agent for Lenders (in such capacity, and together with its successors, "**Administrative Agent**").

RECITALS

A. Borrowers, Lenders and Administrative Agent are parties to that certain Loan and Security Agreement, dated July 19, 2019 (as amended, restated, supplemented or otherwise modified, from time to time, the "Agreement").

B. The Third Tranche Term Loan Commitment expired unfunded.

C. The parties desire to amend the Agreement as set forth in this Amendment, including without limitation, to add a commitment with respect to a new tranche.

1. AMENDMENTS

1.1 Section 2.2(a)(iii) is hereby amended to delete therefrom the following ", and together with the First Tranche Term Loan, and the Second Tranche Term Loan, collectively, the '**Term Loans**', and each, a '**Term Loan**'".

1.2 A new subsection (iv) is hereby added to Section 2.2(a) of the Agreement immediately after subsection (iii) thereof. to read as follows:

(iv) Subject to the terms and conditions of this Agreement, each Lender agrees, severally and not jointly, to make to Borrowers an advance on the Fourth Amendment Effective Date in principal amount equal to its Fourth Tranche Term Loan Commitment (the "**Fourth Tranche Term Loans**", and together with the First Tranche Term Loan, the Second Tranche Term Loan, and the Third Tranche Term Loan, collectively, the "**Term Loans**", and each, a "**Term Loan**"). Lenders' commitment to make the Fourth Tranche Term Loans shall terminate upon the funding thereof on the Fourth Amendment Effective Date.

1.3 Section 2.2(b) of the Agreement is hereby amended and restated in its entirety to read as follows:

(b) Repayment. Commencing on the Amortization Date, and continuing thereafter on the each Payment Date through the Term Loan Maturity Date, Borrowers shall make consecutive equal monthly payments of principal and accrued and unpaid interest, which would fully amortize the principal amount of the Term Loans and accrued interest thereon by the Term Loan Maturity Date, provided that at any time prior to January 1, 2022, Borrower Representative may by written notice to Administrative Agent elect to adjust the repayment schedule such that commencing on the Amortization Date, Borrowers shall make consecutive equal monthly payments of principal and accrued and unpaid interest based on a notional thirty (30) month repayment period (without any change to the Term Loan Maturity Date) (the "**Modified Repayment Schedule**"), and provided further that if the Applicable Rate is adjusted in accordance with its terms, the amortization schedule and the required monthly installment shall be recalculated based on the adjusted Applicable Rate and the remaining number of Payment Dates through the Term Loan Maturity Date. Any and all unpaid Obligations, including principal and accrued and unpaid interest in respect of the Term Loans, the fees and payments due pursuant to the Fee Letter, and other fees and other sums, if any, shall be due and payable in full on the Term

Loan Maturity Date. The Term Loans may only be prepaid in accordance with Sections 2.2(c) or (d).

1.4 Section 2.2(d) of the Agreement is hereby amended to change the reference to "ten (10) Business Days" to "twelve (12) Business Days".

1.5 Section 2.2 of the Agreement is hereby amended by adding a new subsection (e) thereto to read as follows:

(e) Conversion at Lenders' Election.

(i) Conversion Election. Lenders may jointly elect at any time and from time to time after the Fourth Amendment Effective Date prior to the payment in full of the Loans to convert any portion of the principal amount of the Loans then outstanding (the "**Conversion Amount**") into shares of Common Stock (the "**Conversion Shares**") at the Conversion Price pursuant to a Conversion Election Notice, to be delivered at the direction of Lenders by the Administrative Agent to Borrower Representative, provided that the aggregate principal amount so converted shall not exceed $5,000,000. A Conversion Election Notice, once delivered, shall be irrevocable unless otherwise agreed in writing by Borrower Representative. On the third trading day after a Conversion Election Notice has been duly delivered in accordance with the foregoing, Borrower Representative shall credit to each Designated Holder a number of shares of Common Stock equal to (x) the Conversion Amount indicated in the applicable Conversion Election Notice divided by (y) Conversion Price.

(ii) Reservation of Shares. Borrower Representative shall reserve from its duly authorized capital stock not less than the number of shares of Common Stock that may be issuable pursuant to this Section 2.2(e). Upon issuance of Conversion Shares pursuant to this Section 2.2(e), such shares shall be validly issued, fully paid and non-assessable and free from all preemptive or similar rights, taxes, liens and charges with respect to the issue thereof.

(iii) Rule 144. With a view to making available to Designated Holders the benefits of Rule 144 (or its successor rule) and any other rule or regulation of the Securities and Exchange Commission (the "**SEC**") that may at any time permit Designated Holders to sell shares of Common Stock issued pursuant to a Conversion Election Notice to the public without registration, Borrower Representative covenants and agrees to use its commercially reasonable efforts to: (i) make and keep public information available, as those terms are understood and defined in Rule 144, until six (6) months after such date as all of Conversion Shares issued may be sold without restriction by Designated Holders pursuant to Rule 144 or any other rule of similar effect; (ii) file with the SEC in a timely manner (or obtain extensions in respect thereof and file within the applicable grace period) all reports and other documents required of Borrower Representative under the 1934 Act; and (iii) furnish to Designated Holders, upon request, as long as Designated Holders own any shares of Common Stock issued pursuant to a Conversion Election Notice, such information as may be reasonably requested in order to avail Designated Holders of any rule or regulation of the SEC that permits the selling of any Conversion Shares issued without registration.

(iv) Authorization. For so long as Designated Holders hold any shares of Common Stock issued pursuant to this Section 2.2(e), Borrower Representative shall use its commercially reasonable efforts to maintain the Common Stock's authorization for listing on the NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market (or on another national securities exchange) and Borrower Representative shall not take any action which could reasonably be expected to result in the delisting or suspension of the Common Stock on such national securities exchange on which the Common Stock is listed.

(v) Limitations on Conversion.

(1) Beneficial Ownership. Notwithstanding anything herein to the contrary, Borrower Representative shall not issue a number of Conversion Shares pursuant to this Section 2.2(e) to the extent that, upon such issuance, the number of shares of Common Stock then beneficially owned by each Designated Holder and its Affiliates and any other persons or entities whose beneficial ownership of Common Stock would be aggregated with such Designated Holders for purposes of Section 13(d) of the Exchange Act would exceed 9.985% of the total number of shares of Common Stock then issued and outstanding (the "**9.985% Cap**"); provided that the 9.985% Cap shall only apply to the

extent that the Common Stock is deemed to constitute an "equity security" pursuant to Rule 13d-1(i) promulgated under the Exchange Act, provided further that Lenders shall have the right, upon 61 days' prior written notice to Borrower Representative, to waive the 9.985% Cap.

(2) Principal Market Regulation. Borrower Representative shall not issue a number of Conversion Shares pursuant to this Section 2.2(e), if the issuance of such shares together with any previously issued Conversion Shares, would result in (A) the issuance of more than 19.99% of the Common Stock outstanding as of the date of this Agreement or (B) Designated Holders, together with their Affiliates and any other persons or entities whose beneficial ownership of Common Stock would be aggregated with such Designated Holder for purposes of Section 13(d) of the Exchange Act, beneficially owning in excess of 19.99% of the then outstanding Common Stock.

(3) Beneficial Ownership Determination. For purposes of this Section 2.2(e), "group" has the meaning set forth in Section 13(d) of the Exchange Act and applicable regulations of the SEC, and the percentage held by each Designated Holder shall be determined in a manner consistent with the provisions of Section 13(d) of the Exchange Act. Upon the written request of Administrative Agent, Borrower Representative shall, within two (2) trading days, confirm to the Administrative Agent the number of Shares then outstanding. As used herein, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act.

(vi) Certain Adjustments. If Borrower Representative declares or pays a dividend or distribution on the outstanding shares of the Applicable Stock payable in common stock or other securities or property (other than cash), then upon exercise of any conversion option in accordance with this Section 2.2(e), for each Conversion Share acquired, Designated Holder shall receive, without additional cost to Designated Holder, the total number and kind of securities and property which Designated Holder would have received had Designated Holder owned the Conversion Shares of record as of the date the dividend or distribution occurred. Upon any event whereby all of the outstanding shares of the Common Stock are reclassified, converted, exchanged, combined, substituted, or replaced for, into, with or by securities of a different class and/or series, then from and after the consummation of such event, the Conversion Shares issuable will be the number, class and series of securities that Designated Holder would have received had the Conversion Shares been outstanding on and as of the consummation of such event. The provisions of this Section 2.2(e)(vii) shall similarly apply to successive reclassifications, exchanges, combinations substitutions, replacements or other similar events.

(vii) No Fractional Shares. Upon conversion of the Conversion Amount into Conversion Shares, any fraction of a share will be rounded down to the next whole share of the Conversion Shares, and in lieu of such fractional shares to which the Designated Holder would otherwise be entitled, the Borrower Representative shall, at its option, either pay the Designated Holder cash equal to such fraction multiplied by the Conversion Price, or return such amount to principal under the Loan.

1.6 Section 6.2 of the Agreement is hereby amended by adding a new subsection (n) thereto to read as follows:

(n) Board Materials. Promptly and in any event within five (5) Business Days after delivery to the members of Borrower Representative's Board, copies of materials that Borrower Representative provides to its Board in connection with meetings thereof, including any reports with respect to its operations or performance; provided, however, that the Borrower Representative reserves the right to withhold, exclude or redact any such materials or information as reasonably necessary in order to (A) protect highly confidential proprietary information, (B) preserve the attorney client privilege or (C) avoid conflicts of interest, or for other similar reasons; provided, further, that Administrative Agent hereby agrees (i) to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided, and (ii) to be bound by the internal policies (including without limitation, conflicts of interest and insider trading policies) of the Borrower Representative.

1.7 Section 12.2(a) of the Agreement is hereby amended and restated in its entirety with respect thereto.

(a) Successors and Assigns Generally. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. No Borrower may assign this Agreement or any rights or

obligations under it without Lenders' prior written consent (which may be granted or withheld in each Lender's reasonable discretion). Each Lender has the right, without the consent of or notice to Borrowers, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, such Lender's obligations, rights, and benefits under this Agreement and the other Loan Documents (other than the Warrant, as to which assignment, transfer and other such actions are governed by the terms thereof).

1.8 Section 12.8 of the Agreement is hereby amended by adding the following after the first sentence therein: "It is agreed that any change to the definition of "Designated Holder" (and any change to this Agreement that would modify the consent required pursuant to this sentence) shall require the consent of the Collateral Trustee."

1.9 Exhibit A to the Agreement is hereby amended by adding or amending and restating, as applicable, the defined term set forth below therein:

"Amortization Date" means March 1, 2023.

"Common Stock" means the common stock of Borrower Representative.

"Conversion Amount" has the meaning set forth in Section 2.2(e)(i).

"Conversion Election Notice" means a notice in the form attached hereto as Exhibit H.

"Conversion Price" means $13.30 per share of Common Stock, subject to adjustment in accordance with Section 2.2(e)(i).

"Conversion Shares" has the meaning set forth in Section 2.2(e)(i).

"Designated Holder" means a Lender or any Affiliate designated by a Lender in the Conversion Election Notice, provided that the Designated Holder for K2 HealthVentures LLC and any successor, transferee or assignee thereof as Lender, which is an affiliate of K2 HealthVentures LLC, shall be K2 HealthVentures Equity Trust LLC.

"Fourth Amendment Effective Date" means June 16, 2021.

"**Fourth Tranche Term Loan**" has the meaning set forth in Section 2.2(a)(iv).

"**Fourth Tranche Term Loan Commitment**" means, as to any Lender, the aggregate principal amount of Fourth Tranche Term Loans committed to be made by such Lender, as set forth on Schedule 1 hereto.

"**Modified Repayment Schedule**" has the meaning set forth in Section 2.2(b).

"**Obligations**" means all of Borrowers' and each other Loan Party's obligations to pay the Loans when due, including principal, interest, fees, Lender Expenses, the fees pursuant to the Fee Letter, and any other amounts due to be paid by a Borrower or Loan Party, and each Borrower's and Loan Party's obligation to perform its duties under the Loan Documents (other than the Warrant), and any other debts, liabilities and other amounts any Borrower or Loan Party owes to any Lender at any time, whether under the Loan Documents to which it is a party or otherwise (but excluding obligations arising under the Warrant), including, without limitation, interest or Lender Expenses accruing after Insolvency Proceedings begin (whether or not allowed), and any debts, liabilities, or obligations of any Borrower or Loan Party assigned to any Lender, which shall be treated as secured or administrative expenses in the Insolvency Proceedings to the extent permitted by applicable law. Notwithstanding the foregoing, "Obligations" shall not include obligations arising any right to invest (including any obligations under Section 6.14), any warrants or any other equity instruments.

"Warrant" means, collectively, each Warrant to Purchase Common Stock dated as of the Fourth Amendment Effective Date executed by Borrower Representative in favor of each Designated Holder, as amended, modified, supplemented, extended or restated from time to time.

1.10 Exhibit C to the Loan Agreement is hereby amended and restated as set forth in Exhibit C hereto.

1.11 Exhibit D to the Loan Agreement is hereby amended and restated as set forth in Exhibit D hereto.

1.12 A new Exhibit H is hereby added to the Loan Agreement in the form attached hereto as Exhibit H.

1.13 Schedule 1 is hereby amended and restated as set forth in Schedule 1 attached hereto.

2. REPRESENTATIONS AND WARRANTIES

2.1 Borrowers represent and warrant that:

(a) the representations and warranties contained in the Agreement are true and correct in all material respects as of the date of this Amendment, and no Default or Event of Default has occurred and is continuing;

(b) each Borrower has the power and authority to execute and deliver this Amendment and perform its obligations under the Agreement, as modified by this Amendment;

(c) the execution and delivery by each Borrower of this Amendment, and the performance by each Borrower of its obligations under the Agreement, as modified by this Amendment, have been duly authorized by all requisite action;

(d) the execution and delivery by each Borrower of this Amendment and the performance by each Borrower of its obligations under the Agreement, as modified by this Amendment, do not and will not contravene (i) any material Requirement of Law, (ii) any material contractual restriction in any material agreement with a Person binding on such Borrower, (iii) any order, judgment or decree of any Governmental Authority binding on such Borrower, or (iv) the Operating Documents of such Borrower, and do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any Governmental Authority, except as already has been obtained or made; and

(e) this Amendment has been duly executed and delivered by each Borrower and is the binding obligation of each Borrower, enforceable against such Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

3. CONDITIONS TO EFFECTIVENESS

The effectiveness of this Amendment is subject to the following conditions precedent:

3.1 Administrative Agent shall have received

(a) this Amendment, duly executed by Borrowers;

(b) a Warrant to Purchase Common Stock, duly executed by Borrower Representative,

(c) an updated Perfection Certificate, duly executed by Borrower Representative;

(d) a certificate of Borrower, duly executed by a Responsible Officer, certifying and attaching (i) the Operating Documents, (ii) resolutions duly approved by the Board, and (iii) a schedule of incumbency;

3.2 Borrowers shall have paid the amendment fee due pursuant to the amended and restated fee letter and any Lender Expenses due and payable as of the date hereof, which Borrowers hereby authorize may be debited by Administrative Agent, in accordance with Section 2.5 of the Agreement.

4. GENERAL PROVISIONS

4.1 Unless otherwise defined, all initially capitalized terms in this Amendment shall be as defined in the Agreement. The Agreement and this Amendment shall be and remain in full force and effect in accordance with their respective terms and hereby are ratified and confirmed in all respects. Except as expressly set forth herein, the execution, delivery, and performance of this Amendment shall not operate as a waiver of, or as an amendment of, any right, power, or remedy of Administrative Agent or Lenders under the Agreement, as in effect prior to the date hereof. Each Borrower ratifies and reaffirms the continuing effectiveness of the Loan Documents entered into in connection with the Agreement, and that the security interest as granted pursuant to the Loan Agreement continues from the Closing Date.

4.2 This Amendment and the Loan Documents represent the entire agreement with respect to this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

4.3 This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument.

4.4 This Amendment shall constitute a Loan Document. Accordingly, the provisions of Section 11 of the Agreement shall likewise apply to this Amendment.

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[SIGNATURE PAGE TO FOURTH AMENDMENT TO LOAN AND SECURITY AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date set forth above.

BORROWER REPRESENTATIVE:

EVELO BIOSCIENCES, INC.

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

[SIGNATURE PAGE TO FOURTH AMENDMENT TO LOAN AND SECURITY AGREEMENT]

ADMINISTRATIVE AGENT:

K2 HEALTHVENTURES LLC

By: /s/ Parag Shah
Name: Parag Shah
Title: Managing Director and Chief Executive Officer

LENDER:

K2 HEALTHVENTURES LLC

By: /s/ Parag Shah
Name: Parag Shah
Title: Managing Director and Chief Executive Officer

EXHIBIT C

LOAN REQUEST

Date: _____

Reference is made to that certain Loan and Security Agreement, dated July 19, 2019 (as amended, restated, supplemented or otherwise modified, from time to time, the "**Agreement**"), among **EVELO BIOSCIENCES, INC.**, a Delaware corporation ("**Borrower Representative**"), and each other Person party thereto as a borrower from time to time (collectively, "**Borrowers**", and each, a "**Borrower**"), **K2 HEALTHVENTURES LLC** and any other lender from time to time party thereto (collectively, "**Lenders**", and each, a "**Lender**"), **K2 HEALTHVENTURES LLC**, as administrative agent for Lenders (in such capacity, and together with its successors, "**Administrative Agent**"), and **ANKURA TRUST COMPANY, LLC**, as collateral agent for Lenders (in such capacity, together with its successors, "**Collateral Trustee**"). Capitalized terms have meanings as defined in the Agreement.

Borrower Representative hereby requests a Loan in the amount of $[ ] on [ ] (the "**Funding Date**") pursuant to the Agreement, and authorizes Lenders to:

(a) Wire Funds to:

Bank:
Address:

ABA Number:
Account Number:
Account Holder:

(b) Deduct amounts from the foregoing advance to be applied to Lender Expenses and outstanding fees then due as set forth on the attached Schedule 1.

Borrower Representative represents that each of the conditions precedent to the Loans set forth in the Agreement are satisfied and shall be satisfied on the Funding Date, including but not limited to: (i) the representations and warranties set forth in the Agreement and in the other Loan Documents to which it is a party are and shall be true and correct in all material respects on and as of the Funding Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case they remain true and correct in all material respects as of such earlier date); provided, however, that such materiality qualifiers shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof, (ii) no Default or Event of Default has occurred and is continuing, and (iii) no event that has had or would reasonably be expected to have a Material Adverse Effect has occurred and is continuing.

Borrower Representative agrees to notify Lenders promptly before the Funding Date if any of the matters which have been represented above shall not be true and correct in all material respects on the Funding Date and if Lenders have received no such notice before the Funding Date then the statements set forth above shall be deemed to have been made and shall be deemed to be true and correct in all material respects as of the Funding Date.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE TO LOAN REQUEST]

This Loan Request is hereby executed as of the date first written above.

BORROWER REPRESENTATIVE:

EVELO BIOSCIENCES, INC.

By:_____
Name: _____
Title: _____

EXHIBIT D

COMPLIANCE CERTIFICATE

TO: K2 HEALTHVENTURES LLC, as Administrative Agent Date: _____ FROM: EVELO BIOSCIENCES, INC.

Reference is made to that certain Loan and Security Agreement, dated July 19, 2019 (as amended, restated, supplemented or otherwise modified, from time to time, the "**Agreement**"), among **EVELO BIOSCIENCES, INC.**, a Delaware corporation ("**Borrower Representative**"), and each other Person party thereto as a borrower from time to time (collectively, "**Borrowers**", and each, a "**Borrower**"), **K2 HEALTHVENTURES LLC** and any other lender from time to time party thereto (collectively, "**Lenders**", and each, a "**Lender**"), **K2 HEALTHVENTURES LLC**, as administrative agent for Lenders (in such capacity, and together with its successors, "**Administrative Agent**"), and **ANKURA TRUST COMPANY, LLC**, as collateral agent for Lenders (in such capacity, together with its successors, "**Collateral Trustee**"). Capitalized terms have meanings as defined in the Agreement.

The undersigned authorized officer of Borrower Representative, solely in his or her capacity as an officer of Borrower Representative and not in his or her individual capacity, hereby certifies in accordance with the terms of the Agreement as follows:

(1) Each Borrower is in compliance for the period ending _____ with all covenants set forth in the Agreement; (2) no Event of Default has occurred and is continuing; and (3) the representations and warranties in the Agreement are true and correct in all material respects on this date; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date.

The undersigned certifies that all financial statements delivered herewith are prepared in accordance with GAAP (other than, with respect to unaudited financials for the absence of footnotes and being subject to normal year-end adjustments), consistently applied from one period to the next. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

Reporting Covenants	**Required**	**Complies**
Monthly financial statements and Compliance Certificate	Monthly, within 30 days	Yes No
A/R and A/P Aging Reports	Together with monthly financial statements (upon request)	Yes No
Quarterly financial statements	Quarterly, within 45 days (deemed delivered by posting/linking related SEC filing to/on Borrower Representative's website)	Yes No
Annual Projections	Annually, within 30 days of fiscal year end or within 5 Business Days of any Board approval of a material update thereto	Yes No
Annual audited financial statements and any management letters	Annually, within 90 days of fiscal year end (deemed delivered by posting/linking related SEC filing to/on Borrower Representative's website)	Yes No
Statements, reports and notices to Subordinated Debt holders	Within 5 Business Days of delivery	Yes No
SEC filings	Within 5 Business Days after filing with SEC (deemed delivered by posting to/linking on Borrower Representative's website)	Yes No
Legal action notices and updates (claims over $500,000)	Promptly	Yes No
IP report	At the end of each calendar quarter	Yes No
Bank account statements (with transaction detail)	Together with monthly financial statements (upon request) or when received	Yes No
Board Package	Within 5 Business Days of delivery to the Board	Yes No
Product related material correspondence, reports, documents and other filings	Within 5 Business Days after receipt	Yes No

Other Covenants

	Required	**Actual**	**Complies**
Equipment financing Indebtedness (not existing on such Equipment when acquired or Equipment considered Excluded Inventory and Equipment)	Not to exceed $500,000 outstanding	**$**	Yes No
Cash repurchases of stock from former employees, officers and directors (not including cancellation of Indebtedness)	Not to exceed $500,000 per fiscal year in cash	**$**	Yes No
Deposits or pledges for bids, tenders, contracts, leases, surety or appeal bonds	Not to exceed $250,000 at any time	**$**	Yes No
Letter of credit reimbursement obligations and associated cash collateral	Not to exceed $2,500,000 at any time	**$**	Yes No
JPM UK Account	Not to exceed $500,000	**$**	Yes No

Other Matters

Please list any SEC filings made since the most recently delivered Compliance Certificate: [ ] None

_____
_____
_____
_____

Has any Borrower changed its legal name, jurisdiction of organization or chief executive office? If yes, please complete details below: Yes No

_____

Have any new Subsidiaries been formed? If yes, please provide complete schedule below. Yes No

Legal Name of Subsidiary	Jurisdiction of Organization	Holder of Subsidiary Equity Interests	Equity Interests Certificated? (Y/N)	Jurisdiction

Do Subsidiaries which are not Loan Parties maintain (i) cash and other assets with an aggregate value for all such Subsidiaries in excess of 10% of consolidated assets, (ii) revenue in excess of 10% of consolidated revenues for any twelve month period then ended, (iii) any Intellectual Property which is material to the business of Borrowers as a whole, or (iv) any contracts which are material to the business of Borrowers as a whole? If yes, please attach relevant details. Yes No

Have any new Deposit Accounts or Securities Accounts been opened? If yes, please complete schedule below. Yes No

Accountholder	Deposit Account / Intermediary	Address	Account Number	Account Control Agreement in place? (Y/N)

Is there any new Product material to the Loan Parties' business not previously disclosed on the Perfection Certificate or any prior Compliance Certificate? If yes, please complete details below: Yes No

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

BORROWER REPRESENTATIVE:

EVELO BIOSCIENCES, INC.

By: __
Name: __
Title: __

EXHIBIT H

CONVERSION ELECTION NOTICE

Date: _____

Reference is made to that certain Loan and Security Agreement, dated July 19, 2019 (as amended, restated, supplemented or otherwise modified, from time to time, the "**Agreement**"), among **EVELO BIOSCIENCES, INC.**, a Delaware corporation ("**Borrower Representative**"), and each other Person party thereto as a borrower from time to time (collectively, "**Borrowers**", and each, a "**Borrower**"), **K2 HEALTHVENTURES LLC** and any other lender from time to time party thereto (collectively, "**Lenders**", and each, a "**Lender**"), **K2 HEALTHVENTURES LLC**, as administrative agent for Lenders (in such capacity, and together with its successors, "**Administrative Agent**"), and **ANKURA TRUST COMPANY, LLC**, as collateral agent for Lenders (in such capacity, together with its successors, "**Collateral Trustee**"). Capitalized terms have meanings as defined in the Agreement.

The undersigned Lender hereby elects to convert $[_____] of the outstanding Term Loans into Conversion Shares.

Please issue the Conversion Shares in the following name and to the following address:
Issue to: [_____]
[_____]
[_____]

[LENDER]

By: __
Title: __
Dated: __

DTC Participant Number and Name (if electronic book entry transfer): __
Account Number (if electronic book entry transfer): __

ACKNOWLEDGMENT

Borrower Representative hereby acknowledges this Conversion Notice and hereby directs [TRANSFER AGENT] to issue the above indicated number of shares of Common Stock of Evelo Biosciences, Inc.

EVELO BIOSCIENCES, INC.

By: __
Name: __
Title: __

SCHEDULE 1
COMMITMENTS

LENDER	FIRST TRANCHE TERM LOAN COMMITMENT	SECOND TRANCHE TERM LOAN COMMITMENT	THIRD TRANCHE TERM LOAN COMMITMENT	FOURTH TRANCHE TERM LOAN COMMITMENT	TOTAL COMMITMENTS
K2 HEALTHVENTURES LLC	$20,000,000.00	$10,000,000.00	*EXPIRED*	$15,000,000.00	$45,000,000.00