
**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): November 7, 2019

Aduro Biotech, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-37345
(Commission
File No.)

94-3348934
(IRS Employer
Identification No.)

740 Heinz Avenue
Berkeley, California
(Address of principal executive offices)

94710
(Zip Code)

Registrant's telephone number, including area code: (510) 848-4400

Not Applicable

(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 (see General Instruction A.2. below):

- 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, par value \$0.0001 per share | ADRO | The Nasdaq Stock 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 2.02. Results of Operations and Financial Condition.

On November 7, 2019, Aduro Biotech, Inc. (“Aduro”) announced financial results for the third quarter ended September 30, 2019. A copy of Aduro’s press release, titled “Aduro Biotech Provides Business Update and Reports Third Quarter 2019 Financial Results,” is furnished pursuant to Item 2.02 as Exhibit 99.1 hereto.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit</u> | <u>Description</u> |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| 99.1 | Press Release, dated November 7, 2019, titled “Aduro Biotech Provides Business Update and Reports Third Quarter 2019 Financial Results” |

The information in this report, including the exhibit hereto, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information contained herein and in the accompanying exhibit shall not be incorporated by reference into any filing with the U.S. Securities and Exchange Commission made by Aduro Biotech, Inc., whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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.

Dated: November 7, 2019

Aduro Biotech, Inc.

By: /s/ James Welch
James Welch
Interim Chief Financial Officer

Contact:
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Investor Relations & Corporate Affairs
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Aduro Biotech Provides Business Update and Reports Third Quarter 2019 Financial Results

BERKELEY, California, November 7, 2019 – Aduro Biotech, Inc. (NASDAQ: ADRO), a clinical-stage biopharmaceutical company focused on developing therapies targeting the Stimulator of Interferon Genes (STING) and A Proliferation Inducing Ligand (APRIL) pathways for the treatment of cancer, autoimmune and inflammatory diseases, today provided a business update and reported financial results for the third quarter ended September 30, 2019.

Cash, cash equivalents and short term and long term marketable securities totaled \$235.4 million at September 30, 2019, compared to \$277.9 million at December 31, 2018.

“We remain highly focused on the development of our STING and APRIL programs, with the initiation of our Phase 2 study of ADU-S100 in combination with pembrolizumab in head and neck squamous cell carcinoma and continued progress of our Phase 1 study of BION-1301 in IgA nephropathy,” said Stephen T. Isaacs, chairman, president and chief executive officer of Aduro. “Our strong cash position of \$235.4 million at the end of the third quarter enables us to continue investing in our STING and APRIL programs with the ultimate goal of providing therapeutic benefit to patients.”

Recent Highlights

- Cleared four healthy volunteer dose cohorts in the single ascending dose portion and one healthy volunteer dose cohort in the multiple ascending dose portion of the Phase 1 clinical trial of BION-1301 for the treatment of IgA nephropathy.
- First patient dosed in Phase 2 clinical trial of ADU-S100 (MIW815) in combination with Keytruda® (pembrolizumab), an approved anti-PD-1 antibody, as a first-line treatment for recurrent or metastatic head and neck squamous cell carcinoma.

Financial Results

- **Revenue** – Revenue was \$4.8 million for the third quarter of 2019 and \$13.6 million for the nine months ended September 30, 2019, compared to \$3.1 million and \$12.3 million, respectively, for the same periods in 2018. The increase in revenue for the quarter and the year to date was primarily due to ratable recognition of the upfront payment received from Eli Lilly in the first quarter of 2019.
 - **Expenses** –
 - Research and development expenses were \$15.5 million for the third quarter of 2019 and \$51.9 million for the nine months ended September 30, 2019, compared to \$18.7 million and \$58.2 million, respectively, for the same periods in 2018. The quarter and year to date costs decreased primarily due our strategic reset in January 2019, which resulted in reduced headcount and stock-based compensation expense. The reset also resulted in reduced spending towards deprioritized programs partially offset by higher spending towards our STING and APRIL programs.
 - General and administrative expenses were \$8.7 million for the third quarter of 2019 and \$25.8 million for the nine months ended September 30, 2019, compared to \$9.1 million and \$27.0 million, respectively, for the same periods in 2018. The quarter and year to date costs decreased primarily due to our strategic reset in January 2019, which resulted in reduced headcount and stock-based compensation expense.
 - Loss on impairment of intangible assets was \$5.0 million for the third quarter of 2019. This expense was recorded due to the discontinuation of one of our acquired early research programs.
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- **Net Loss** – Net loss for the third quarter of 2019 was \$21.0 million or \$0.26 per share and \$63.0 million or \$0.79 per share for the nine months ended September 30, 2019, compared to net loss of \$23.1 million or \$0.29 per share and \$69.0 million or \$0.88 per share, respectively, for the same periods in 2018.

About Aduro

Aduro Biotech, Inc. is a clinical-stage biopharmaceutical company focused on the discovery, development and commercialization of therapies that are designed to harness the body's natural immune system for the treatment of patients with challenging diseases. Aduro's product candidates in the Stimulator of Interferon Genes (STING) and A Proliferation Inducing Ligand (APRIL) pathways are being investigated in cancer, autoimmune and inflammatory diseases. ADU-S100 (MIW815), which potentially activates the intracellular STING receptor for a potent tumor-specific immune response, is being evaluated in patients with cutaneously accessible metastatic solid tumors or lymphomas. BION-1301, a first-in-class humanized IgG4 monoclonal antibody that fully blocks APRIL binding to both the BCMA and TACI receptors, is being evaluated in IgA nephropathy. Aduro is collaborating with a number of leading global pharmaceutical companies to help expand and drive its product pipeline. For more information, please visit www.aduro.com.

Cautionary Note on Forward-Looking Statements

This press release contains forward-looking statements for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements regarding our current intentions or expectations concerning, among other things, the potential for our technology, continued advancement of our programs, continued investment in our lead assets and collaborations with leading global pharmaceutical companies to help expand and drive our product pipeline. In some cases, you can identify these statements by forward-looking words such as "may," "will," "continue," "anticipate," "intend," "could," "project," "expect" or the negative or plural of these words or similar expressions. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results and events to differ materially from those anticipated, including, but not limited to, our history of net operating losses and uncertainty regarding our ability to achieve profitability, our ability to develop and commercialize our product candidates, our ability to use and expand our technology platforms to build a pipeline of product candidates, our ability to obtain and maintain regulatory approval of our product candidates, our ability to operate in a competitive industry and compete successfully against competitors that have greater resources than we do, our reliance on third parties, and our ability to obtain and adequately protect intellectual property rights for our product candidates. We discuss many of these risks in greater detail under the heading "Risk Factors" contained in our quarterly report on Form 10-Q for the quarter ended September 30, 2019, to be filed with the Securities and Exchange Commission (SEC), and our other filings with the SEC. Any forward-looking statements that we make in this press release speak only as of the date of this press release. We assume no obligation to update our forward-looking statements whether as a result of new information, future events or otherwise, after the date of this press release.

ADURO BIOTECH, INC.
Consolidated Statements of Operations
(In thousands, except share and per share amounts)
(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|-----------------------------------------------------------------------|----------------------------------|-------------|---------------------------------|-------------|
| | 2019 | 2018 | 2019 | 2018 |
| Revenue: | | | | |
| Collaboration and license revenue | \$ 4,799 | \$ 3,063 | \$ 13,625 | \$ 12,329 |
| Total revenue | 4,799 | 3,063 | 13,625 | 12,329 |
| Operating expenses: | | | | |
| Research and development | 15,510 | 18,675 | 51,916 | 58,223 |
| General and administrative | 8,683 | 9,149 | 25,845 | 27,021 |
| Loss on impairment of intangible assets | 5,006 | — | 5,006 | — |
| Amortization of intangible assets | 138 | 144 | 417 | 443 |
| Total operating expenses | 29,337 | 27,968 | 83,184 | 85,687 |
| Loss from operations | (24,538) | (24,905) | (69,559) | (73,358) |
| Interest income | 1,366 | 1,353 | 4,334 | 3,892 |
| Other (loss) income, net | (32) | 21 | (54) | (15) |
| Loss before income tax | (23,204) | (23,531) | (65,279) | (69,481) |
| Income tax benefit | 2,252 | 385 | 2,322 | 444 |
| Net loss | \$ (20,952) | \$ (23,146) | \$ (62,957) | \$ (69,037) |
| Net loss per common share, basic and diluted | \$ (0.26) | \$ (0.29) | \$ (0.79) | \$ (0.88) |
| Shares used in computing net loss per common share, basic and diluted | 80,232,739 | 79,086,841 | 79,940,155 | 78,607,180 |

ADURO BIOTECH, INC.
Consolidated Balance Sheets
(In thousands)
(Unaudited)

| | September 30, 2019 | December 31, 2018 |
|---------------------------------------------------|-----------------------|----------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 53,605 | \$ 126,310 |
| Short-term marketable securities | 178,182 | 140,129 |
| Accounts receivable | 222 | 12,037 |
| Prepaid expenses and other current assets | 3,805 | 4,500 |
| Total current assets | 235,814 | 282,976 |
| Long-term marketable securities | 3,593 | 11,434 |
| Property and equipment, net | 25,534 | 29,157 |
| Operating lease right-of-use assets | 21,346 | — |
| Goodwill | 7,949 | 8,334 |
| Intangible assets, net | 18,608 | 25,135 |
| Restricted cash | 468 | 468 |
| Total assets | \$ 313,312 | \$ 357,504 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 1,643 | \$ 1,457 |
| Accrued clinical trial and manufacturing expenses | 4,012 | 2,542 |
| Accrued expenses and other liabilities | 9,125 | 10,518 |
| Operating lease liabilities | 1,700 | — |
| Deferred revenue | 16,000 | 16,000 |
| Total current liabilities | 32,480 | 30,517 |
| Deferred rent | — | 11,063 |
| Contingent consideration | 975 | 998 |
| Deferred revenue | 161,203 | 172,671 |
| Deferred tax liabilities | 3,522 | 6,104 |
| Operating lease liabilities | 32,120 | — |
| Other long-term liabilities | 966 | 840 |
| Total liabilities | 231,266 | 222,193 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock | — | — |
| Common stock | 8 | 8 |
| Additional paid-in capital | 549,705 | 538,895 |
| Accumulated other comprehensive (loss) income | (178) | 940 |
| Accumulated deficit | (467,489) | (404,532) |
| Total stockholders' equity | 82,046 | 135,311 |
| Total liabilities and stockholders' equity | \$ 313,312 | \$ 357,504 |