# 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): March 9, 2020**

# Aduro Biotech, Inc.
**(Exact name of registrant as specified in its charter)**

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

| **001-37345** | **94-3348934** |
|---|---|
| **(Commission File No.)** | **(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 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 2.02. Results of Operations and Financial Condition.**

On March 9, 2020, Aduro Biotech, Inc. ("Aduro") announced certain financial results for the fourth quarter and year ended December 31, 2019. A copy of Aduro's press release, titled "Aduro Biotech Provides Business Update and Reports Fourth Quarter and Full Year 2019 Financial Results," is furnished pursuant to Item 2.02 as Exhibit 99.1 hereto.

**Item 9.01. Financial Statements and Exhibits.**

**(d) Exhibits.**

| Exhibit | Description |
|---|---|
| 99.1 | Press Release, dated March 9, 2020, titled "Aduro Biotech Provides Business Update and Reports Fourth Quarter and Full Year 2019 Financial Results" |

The information in this report under Item 2.02, 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 under Item 2.02 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: March 9, 2020

**Aduro Biotech, Inc.**

By: /s/ William G. Kachioff
William G. Kachioff
Interim Chief Financial Officer

**Exhibit 99.1**

**Contact:**
**Noopur Liffick**
**Investor Relations & Corporate Affairs**
**510-809-2465**
**investors@aduro.com**
**press@aduro.com**

**Aduro Biotech Provides Business Update and Reports Fourth Quarter and Full Year 2019 Financial Results**

BERKELEY, California, March 9, 2020 – 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 fourth quarter and full year ended December 31, 2019.

“2019 was a critical year for Aduro as we narrowed the focus of our STING program to squamous cell carcinoma of the head and neck and non-muscle invasive bladder cancer, and shifted the focus of our APRIL program to IgA nephropathy. In an effort to ensure we have the appropriate resources in place to advance these programs, we scaled down the company with the strategic reset in January 2019 and corporate restructuring in January 2020,” said Stephen T. Isaacs, chairman, president and chief executive officer of Aduro. “Our strong cash position, which now takes us into 2023, enables us to execute on several key milestones in 2020 across our STING and APRIL programs.”

**Key Accomplishments in Fiscal Year 2019**

**STING**

- 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
- Presented findings from the Phase 1b study of ADU-S100 (MIW815) in combination with spartalizumab (PDR001) in patients with advanced, metastatic treatment-refractory solid tumors or lymphomas in an oral presentation at the 2019 American Society of Clinical Oncology (ASCO) Annual Meeting
- Presented nonclinical data on the role of TNF-alpha in suppressing the immunogenicity of STING agonists at the Society for Immunotherapy of Cancer’s (SITC) 34th Annual Meeting
- Presented three abstracts at the American Association for Cancer Research (AACR) Annual Meeting 2019, including updated preclinical data on ADU-S100

**APRIL**

- Completed treatment of all healthy volunteer dose cohorts in the single ascending dose and multiple ascending dose portions of the Phase 1 clinical trial of BION-1301 for the treatment of IgA nephropathy
- Presented findings from the dose escalation portion of the Phase 1/2 study of BION-1301 in patients with relapsed or refractory multiple myeloma in two poster presentations at the 2019 ASCO Annual Meeting

**Anti-CD27 Agonist Antibody**

- License partner, Merck & Co., Inc. (known as MSD outside the United States and Canada), presented findings from an ongoing Phase 1 clinical trial of MK-5890, the anti-CD27 agonist antibody licensed to Merck in 2014, in an oral presentation during the late breaking abstract session at the SITC 34th Annual Meeting

**Corporate**

- Appointed immuno-oncology drug development expert, Dimitry Nuyten, M.D., Ph.D., as chief medical officer
- Appointed life sciences industry veterans, David H. Mack, Ph.D. and Frank Karbe, to the board of directors

**Financial Results**

- **Cash Position** – Cash, cash equivalents and marketable securities totaled $213.6 million at December 31, 2019, compared to $277.9 million at December 31, 2018.
- **Revenue** – Revenue was $3.6 million for the fourth quarter of 2019 and $17.3 million for the year ended December 31, 2019, compared to $2.8 million and $15.1 million, respectively, for the same periods in 2018. For the fourth quarter and year ended December 31, 2019, the increase in revenue was primarily due to ratable recognition of the upfront milestone payment received under our Lilly collaboration in 2019. The increase was offset by a reduction in the revenue recognized for our Novartis collaboration in 2019 and by the milestone payment received under our license and collaboration agreement with Merck upon its initiation of a phase 1 trial in 2018.
- **Expenses –**
    - Research and development expenses were $15.1 million for the fourth quarter of 2019 and $67.0 million for the year ended December 31, 2019, compared to $17.6 million and $75.8 million, respectively, for the same periods in 2018. For the fourth quarter and year ended December 31, 2019, costs decreased primarily due to reduced headcount and reduced stock-based compensation expense resulting from our strategic reset in January 2019. 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 $9.0 million for the fourth quarter of 2019 and $34.8 million for the year ended December 31, 2019, compared to $9.0 million and $36.0 million, respectively, for the same periods in 2018. For the year ended December 31, 2019, costs decreased primarily due to reduced headcount and stock-based compensation expense resulting from our strategic reset in January 2019. The decrease in costs for the year was partially offset by higher professional services costs due to consulting services. The higher professional services costs also resulted in general and administrative expenses for the fourth quarter of 2019 remaining consistent with the 2018 period.
    - Loss on impairment of intangible assets was $5.0 million for the year ended December 31, 2019. This expense was recorded due to the discontinuation of one of our acquired early research programs.
- **Net Loss –** Net loss for the fourth quarter of 2019 was $19.4 million or $0.24 per share and $82.4 million or $1.03 per share for the year ended December 31, 2019, compared to net loss of $26.3 million or $0.33 per share and $95.4 million or $1.21 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, our focus on our STING and APRIL programs, our strong cash position taking us into 2023, our ability to execute on key milestones in 2020 and our 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, the success of our restructuring, 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 annual report on Form 10-K for the year ended December 31, 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**
**(Unaudited, in thousands, except share and per share amounts)**

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Revenue: | | | | |
| Collaboration and license revenue | $ 3,633 | $ 2,758 | $ 17,258 | $ 15,087 |
| Total revenue | 3,633 | 2,758 | 17,258 | 15,087 |
| Operating expenses: | | | | |
| Research and development (1) | 15,129 | 17,614 | 67,045 | 75,836 |
| General and administrative (1) | 8,950 | 9,014 | 34,795 | 36,035 |
| Loss on impairment of intangible assets | — | 3,992 | 5,006 | 3,992 |
| Amortization of intangible assets | 137 | 141 | 554 | 584 |
| Total operating expenses | 24,216 | 30,761 | 107,400 | 116,447 |
| Net loss from operations | (20,583) | (28,003) | (90,142) | (101,360) |
| Interest income, net | 1,117 | 1,392 | 5,451 | 5,284 |
| Other expense, net | (39) | (49) | (93) | (64) |
| Loss before income tax | (19,505) | (26,660) | (84,784) | (96,140) |
| Income tax benefit | 90 | 339 | 2,412 | 783 |
| Net loss | $ (19,415) | $ (26,321) | $ (82,372) | $ (95,357) |
| Net loss per common share, basic and diluted | $ (0.24) | $ (0.33) | $ (1.03) | $ (1.21) |
| Shares used in computing net loss per common share, basic and diluted | 80,550,012 | 79,421,381 | 80,110,711 | 78,812,407 |
| | | | | |
| (1) Includes the following share-based compensation expenses: | | | | |
| Research and development | $ 1,074 | $ 2,231 | $ 6,376 | $ 9,745 |
| General and administrative | $ 1,249 | $ 1,771 | $ 6,063 | $ 7,729 |

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

| | December 31, 2019 | December 31, 2018 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 59,624 | $ 126,310 |
| Marketable securities | 153,978 | 140,129 |
| Accounts receivable | 342 | 12,037 |
| Prepaid expenses and other current assets | 3,958 | 4,500 |
| Total current assets | 217,902 | 282,976 |
| Marketable securities | — | 11,434 |
| Property and equipment, net | 24,688 | 29,157 |
| Operating lease right-of-use assets | 21,110 | — |
| Goodwill | 8,167 | 8,334 |
| Intangible assets, net | 18,978 | 25,135 |
| Restricted cash | 468 | 468 |
| Total assets | $ 291,313 | $ 357,504 |
| **Liabilities and Stockholders' Equity** | | |
| Current liabilities: | | |
| Accounts payable | $ 414 | $ 1,457 |
| Accrued clinical trial and manufacturing expenses | 4,253 | 2,542 |
| Accrued expenses and other liabilities | 8,181 | 10,518 |
| Operating lease liabilities | 1,803 | — |
| Deferred revenue | 6,950 | 16,000 |
| Total current liabilities | 21,601 | 30,517 |
| Deferred rent | — | 11,063 |
| Contingent consideration | 1,051 | 998 |
| Deferred revenue | 166,963 | 172,671 |
| Deferred tax liabilities | 3,527 | 6,104 |
| Operating lease liabilities | 31,636 | — |
| Other long-term liabilities | 940 | 840 |
| Total liabilities | 225,718 | 222,193 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock | — | — |
| Common stock | 8 | 8 |
| Additional paid-in capital | 552,077 | 538,895 |
| Accumulated other comprehensive income | 414 | 940 |
| Accumulated deficit | (486,904) | (404,532) |
| Total stockholders' equity | 65,595 | 135,311 |
| Total liabilities and stockholders' equity | $ 291,313 | $ 357,504 |