
**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): April 13, 2020

COHERUS BIOSCIENCES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36721
(Commission
File Number)

27-3615821
(IRS Employer
Identification Number)

333 Twin Dolphin Drive, Suite 600
Redwood City, CA 94065
(Address of principal executive offices, including Zip Code)

Registrant's telephone number, including area code: (650) 649-3530

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, \$0.0001 par value per share	CHRS	The Nasdaq Global 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.

Note Purchase Agreement Amendment

On April 13, 2020, Coherus BioSciences, Inc. (the “Company”) entered into an amendment (the “Second Amendment”) to that certain Convertible Note Purchase Agreement, dated as of February 29, 2016, among the Company, HealthCare Royalty Partners III, L.P. (“HCR”), MX II Associates LLC, KMG Capital Partners, LLC and KKR Biosimilar L.P., each as an investor, and certain subsidiaries of the Company as guarantors, as amended (the “Note Purchase Agreement”), which amended the definition of Restricted Payment to exclude any payment (including a premium) to a counterparty under a Permitted Bond Hedge Transaction. The Second Amendment also added to the Note Purchase Agreement a definition of Permitted Bond Hedge Transaction, with such definition including any capped call option (or substantively equivalent derivative transaction) relating to our common stock purchased by us in connection with any issuance of indebtedness or convertible indebtedness.

The foregoing description of the material terms of the Second Amendment does not purport to be complete and is subject to, and is qualified in its entirety by reference to the Second Amendment, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Credit Agreement Amendment

On April 13, 2020, the Company entered into an amendment (the “Credit Agreement Amendment”) to that certain credit agreement, dated as of January 7, 2019, with HCR and certain of its affiliates (the “Credit Agreement”), which amended the Credit Agreement’s indebtedness covenant such that the Company could incur Convertible Bond Indebtedness (as defined in the Credit Agreement) in an amount not to exceed the greater of \$230.0 million or 20% of the Company’s market capitalization.

The foregoing description of the material terms of the Credit Agreement Amendment does not purport to be complete and is subject to, and is qualified in its entirety by reference to the Credit Agreement Amendment, a copy of which is filed as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 2.02 Results of Operations and Financial Conditions

Preliminary Unaudited Results for the First Quarter of 2020

The Company expects its preliminary unaudited first quarter 2020 net product revenue to be between \$115.0 million and \$117.5 million, a 210% to 217% increase compared to the net product revenue of \$37.1 million for the first quarter of 2019. The Company expects its preliminary unaudited first quarter 2020 net income to be between \$33.5 million and \$38.0 million, compared to a net loss of \$(20.0) million for the first quarter of 2019. These financial results reflect a modest COVID-19 impact in March 2020.

First quarter 2020 showed good unit growth for the pegfilgrastim class with the last four weeks of March having 6% growth over the previous four weeks according to the IQVIA March 27, 2020 report. A 6% increase, year-over-year, for pegfilgrastim was also seen according to the report. Specifically, UDENYCA® saw a 7% unit growth in the last four weeks ending March 27, 2020 over the previous four weeks as the COVID-19 crisis accelerated.

The Company has provided a range for the preliminary and unaudited results described above primarily because its financial closing procedures for the first quarter of 2020 are not yet complete. As a result, there is a possibility that the Company’s final results will vary from this preliminary estimate. The Company currently expects that its final results will be within the ranges described above. It is possible, however, that the Company’s final results will not be within the ranges it currently estimates. The Company undertakes no obligation to update or supplement the information provided above until it releases its results of operations for the first quarter of 2020. The preliminary estimates for the first quarter of 2020 presented above have been prepared by, and are the responsibility of, the Company’s management. Ernst & Young LLP, the Company’s independent registered public accounting firm, has not audited, reviewed, compiled, or performed any procedures with respect to such preliminary information. Accordingly, Ernst & Young LLP does not express an opinion or any other form of assurance with respect thereto.

The information in Item 2.02 of this Current Report on Form 8-K shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 8.01 Other Events.

Supplemental Risk Factor

In light of recent developments relating to the COVID-19 global pandemic, the Company is supplementing the risk factors previously disclosed in Item 1A. of its Annual Report on Form 10-K for the year ended December 31, 2019, as filed with the Securities and Exchange Commission on February 27, 2020, to include the following risk factor under the heading “COVID-19 Risks to Our Business”:

Our business, financial condition, results of operations and growth could be harmed by the effects of the COVID-19 pandemic.

We are subject to risks related to public health crises such as the global pandemic associated with the novel coronavirus and the associated disease (“COVID-19”). In December 2019, a novel strain of coronavirus, SARS-CoV-2, was reported to have surfaced in Wuhan, China. Since then, SARS-CoV-2, and the resulting disease COVID-19, has spread to most countries, and all 50 states within the United States. As a result of the COVID-19 outbreak, we have experienced and may continue to experience disruptions that could severely impact our business, clinical trials and preclinical studies, including, but not limited to:

- decreased sales of UDENYCA®;
- our ability to maintain or expand the commercial use of UDENYCA® due to, among other factors, healthcare providers, payers and patients not utilizing or adopting UDENYCA® due to resources being strained or otherwise focused on the COVID-19 pandemic and our sales team efficacy in selling UDENYCA® being limited due to such strained resources or other factors such as travel restrictions;
- fewer individuals undertaking or completing cancer treatments, whether due to contracting COVID-19, self-isolating or quarantining to lower the risk of contracting COVID-19 or being unable to access care as a result of healthcare providers tending to COVID-19 patients;
- our third-party contract manufacturers not being able to maintain adequate (in amount and quality) supply to support the commercial sale of UDENYCA® or the clinical development of our product candidates due to staffing shortages, production slowdowns or stoppages and disruptions in delivery systems;
- delays and difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff, as well as delays or difficulties in enrolling patients or maintaining enrolled patients in our clinical trials;
- interruption of key clinical trial activities, such as clinical trial site data monitoring, due to limitations on travel imposed or recommended by federal or state governments, employers and others or interruption of clinical trial subject visits and study procedures (particularly any procedures that may be deemed non-essential), which may impact the integrity of subject data and clinical study endpoints;
- interruption or delays in the operations of the U.S. Food and Drug Administration and comparable foreign regulatory agencies, which may impact regulatory review and approval timelines; and
- limitations on our employee resources, and those of our business partners, that would otherwise be focused on the conduct of our business in all aspects, including because of sickness of employees or their families.

These and other factors arising from the COVID-19 pandemic could result in us not being able to maintain UDENYCA®’s market position or increase its penetration against all Neulasta®’s dosage forms, and could result in our inability to meet development milestones for our product candidates, each of which would harm our business, financial condition, results of operations and growth.

Numerous state and local jurisdictions have imposed, and others in the future may impose, “shelter-in-place” orders, quarantines, executive orders and similar government orders and restrictions for their residents to control the spread of COVID-19. Starting in mid-March 2020, the governor of California, where our headquarters and laboratory facilities are located, issued a “shelter-in-place” order restricting non-essential activities, travel and business operations for an indefinite period of time, subject to certain exceptions for necessary activities. Such orders or restrictions, have resulted in our headquarters closing, slowdowns and delays, travel restrictions and cancellation of events, among other effects, thereby negatively impacting our operations.

While the long-term economic impact and the duration of the COVID-19 pandemic may be difficult to assess or predict, the widespread pandemic has resulted in, and may continue to result in, significant disruption of global financial markets, which could reduce our ability to access capital and could negatively affect our liquidity and the liquidity and stability of markets for our common stock and the notes. In addition, a recession, further market correction or depression resulting from the spread of COVID-19 could materially affect our business and the value of your notes and our common stock.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
10.1	Second Amendment to Convertible Note Purchase Agreement, dated as of April 13, 2020, among Coherus BioSciences, Inc., the Guarantors party thereto, HealthCare Royalty Partners III, L.P. and KKR Biosimilar L.P.
10.2	First Amendment to Credit Agreement, dated as of April 13, 2020, by and between Coherus BioSciences, Inc. and affiliates of Healthcare Royalty Partners.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 14, 2020

COHERUS BIOSCIENCES, INC.

By: /s/ Jean-Frédéric Viret

Name: Jean-Frédéric Viret

Title: Chief Financial Officer

**SECOND AMENDMENT TO
SENIOR CONVERTIBLE NOTE PURCHASE AGREEMENT**

April 13, 2020

This Amendment to Convertible Note Purchase Agreement (this "Amendment") is entered into as of the date first written above by and among Coherus BioSciences, Inc., a Delaware corporation (the "Company") and the undersigned holders (each a "Holder" and collectively, the "Holders") that are parties to that certain Senior Convertible Note Purchase Agreement, dated as of February 29, 2016, by and among the Company and the holders named therein (as amended, the "Note Purchase Agreement"). Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Note Purchase Agreement.

RECITALS

WHEREAS, pursuant to Section 13.01 of the Note Purchase Agreement, any term of the Note Purchase Agreement may be amended with the written consent of the Company, the Guarantors and each Holder affected thereby.

WHEREAS, any waiver or amendment effected in accordance with Section 13.01 of the Note Purchase Agreement shall be binding upon each party to the Note Purchase Agreement and each Holder (including each future Holder, regardless of whether such future Holder is a party hereto).

NOW THEREFORE BE IT RESOLVED, that the Note Purchase Agreement is hereby amended pursuant to Section 13.01 of the Note Purchase Agreement as follows:

ARTICLE I.

AMENDMENT

The definition of Restricted Payment in Section 1.01 of the Note Purchase Agreement is hereby amended and restated in its entirety as follows:

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest in the Company or its Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interest of the Company or its Subsidiaries; *provided, however*, that the following will not constitute a Restricted Payment: (a) a dividend, distribution or payment consisting solely of, or made solely with the net cash proceeds of a substantially concurrent sale of, Equity Interests of the Company (other than Disqualified Capital Stock); (b) the repurchase of any Equity Interests deemed to occur upon the exercise of stock options or similar instruments to the extent such Equity Interests represent a portion of the exercise price of such stock options or interests; (c) the payment of cash in lieu of issuing or delivering any fractional share of Common Stock or other Equity Interest; (d) any Dividend or distribution by a Subsidiary of the Company on its Equity Interests; (e) any payment (including premium) to a counterparty under a Permitted Bond Hedge Transaction in accordance with the definition thereof; and (f) any other dividend, distribution or payment that does not exceed fifteen million dollars (\$15,000,000) in the aggregate since the date of this Agreement.

Section 1.01 of the Note Purchase Agreement is hereby amended by adding the following defined term:

“Permitted Bond Hedge Transaction” means any call or capped call option (or substantively equivalent derivative transaction) relating to the Common Stock (or other securities or property following a merger event or other change of the Common Stock) purchased by the Issuer in connection with the issuance of any Indebtedness by the Issuer that is convertible into or exchangeable for Common Stock; provided, that, the purchase price for such Permitted Bond Hedge Transaction does not exceed the net cash proceeds received by the Issuer from the issuance of such Indebtedness in connection with such Permitted Bond Hedge Transaction.

**ARTICLE II.
CONDITIONS TO EFFECTIVENESS**

This Amendment shall be effective as of the date hereof upon the Company having received the duly executed signatures page of this Amendment from each of the parties hereto.

**ARTICLE III.
ACKNOWLEDGEMENT AND CONSENT**

Each of the parties hereto hereby acknowledges that he has reviewed the terms and provisions of the Note Purchase Agreement and this Amendment and consents to the amendment of the Note Purchase Agreement effected pursuant to this Amendment.

**ARTICLE IV.
MISCELLANEOUS**

Section 4.1 Notes. Each certificate representing any Note issued pursuant to the Note Purchase Agreement on or after the date of this Amendment will contain terms that are consistent with this Amendment.

Section 4.2 Headings. Section and Subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

Section 4.3 Governing Law. This Amendment shall be governed by and construed and interpreted under the laws of the State of New York.

Section 4.4 Execution in Counterparts. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and each of the parties hereto may execute this Agreement by signing any such counterpart. A facsimile or electronic mail transmission of this Amendment bearing a signature on behalf of a party hereto shall be legal and binding on such party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

COHERUS BIOSCIENCES, INC.

as the Company

By: /s/ Dennis M. Lanfear

Name: Dennis M. Lanfear

Title: Chief Executive Officer

COHERUS INTERMEDIATE CORP.

as a Guarantor

By: /s/ Dennis M. Lanfear

Name: Dennis M. Lanfear

Title: Chief Executive Officer

INTEKRIN THERAPEUTICS INC.

as a Guarantor

By: /s/ Dennis M. Lanfear

Name: Dennis M. Lanfear

Title: Chief Executive Officer

SIGNATURE PAGE TO THE
SECOND AMENDMENT TO SENIOR CONVERTIBLE NOTE PURCHASE AGREEMENT

HEALTHCARE ROYALTY PARTNERS III, L.P.
as a Holder

By: Healthcare Royalty GP III, LLC, its general partner

By: /s/ Clarke B. Futch

Name: Clarke B. Futch

Title: Managing Partner

SIGNATURE PAGE TO THE
SECOND AMENDMENT TO SENIOR CONVERTIBLE NOTE PURCHASE AGREEMENT

KKR BIOSIMILAR L.P.

as a Holder

By: KKR Biosimilar GP LLC,
its General Partner

By: /s/ Ali Satvat

Name: Ali Satvat

Title: Partner

SIGNATURE PAGE TO THE
SECOND AMENDMENT TO SENIOR CONVERTIBLE NOTE PURCHASE AGREEMENT

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT (this “**Amendment**”), dated as of April 13, 2020 (the “**Amendment Effective Date**”), is made among COHERUS BIOSCIENCES, INC., a Delaware corporation (the “**Borrower**”), HCR COLLATERAL MANAGEMENT, LLC, as administrative agent (in such capacity, “**Administrative Agent**”) and the Lenders signatory hereto representing the Required Lenders.

Borrower, the Lenders and Administrative Agent are parties to a Credit Agreement dated as of January 7, 2019 (as amended, restated or modified from time to time, the “**Loan Agreement**”). Borrower has requested that the Required Lenders agree to certain amendments to the Loan Agreement. The Required Lenders have agreed to such request, subject to the terms and conditions hereof.

Accordingly, the parties hereto agree as follows:

SECTION 1 Definitions; Interpretation.

(a) **Terms Defined in Loan Agreement.** All capitalized terms used in this Amendment (including in the recitals hereof) and not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

(b) **Interpretation.** The rules of interpretation set forth in Section 1.02 of the Loan Agreement shall be applicable to this Amendment and are incorporated herein by this reference.

SECTION 2 Amendment to the Loan Agreement. Section 8.03(h)(vi) of the Loan Agreement is hereby amended and restated in its entirety as follows:

“(vi) immediately after giving effect to the incurrence of any Convertible Bond Indebtedness, the aggregate outstanding amount of all Convertible Bond Indebtedness (excluding, for the avoidance of doubt, the Existing Convertible Notes) shall not exceed the greater of (x) \$230,000,000 and (y) twenty percent (20%) of the Borrower’s Market Capitalization as of the date of pricing for such Convertible Bond Indebtedness,”

SECTION 3 Miscellaneous.

(a) **References Within Loan Agreement.** Each reference in the Loan Agreement to “this Agreement” and the words “hereof,” “herein,” “hereunder,” or words of like import, shall mean and be a reference to the Loan Agreement as amended by this Amendment.

(b) **Binding Effect.** This Amendment binds and is for the benefit of the successors and permitted assigns of each party.

(c) **Governing Law.** **THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.**

(d) **Severability of Provisions.** Each provision of this Amendment is severable from every other provision in determining the enforceability of any provision.

(e) **Counterparts.** This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Amendment. Delivery of an executed counterpart of a signature page of this Amendment by facsimile, portable document format (.pdf) or other electronic transmission will be as effective as delivery of a manually executed counterpart hereof.

(f) **Loan Documents.** This Amendment and the documents related thereto shall constitute Loan Documents.

(g) **Electronic Execution of Certain Other Documents.** The words “execution,” “execute”, “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation assignments, assumptions, amendments, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

[Balance of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment, as of the date first above written.

BORROWER:

COHERUS BIOSCIENCES, INC.,
a Delaware corporation

By: /s/ Dennis Lanfear

Name: Dennis Lanfear

Title: President and Chief Executive Officer

[Signature Page to First Amendment to Credit Agreement]

Acknowledged and agreed:

ADMINISTRATIVE AGENT:

HCR COLLATERAL MANAGEMENT, LLC

By: /s/ Clarke B. Futch

Name: Clarke B. Futch

Title: Managing Partner

[Signature Page to First Amendment to Credit Agreement]

LENDERS:

HEALTHCARE ROYALTY PARTNERS III, L.P.,
a Delaware limited partnership

By: HealthCare Royalty GP III, LLC, its general partner

By: /s/ Clarke B. Futch
Name: Clarke B. Futch
Title: Managing Partner

HCRP OVERFLOW FUND, L.P.,
a Delaware limited partnership

By: HCRP Overflow GP, LLC, its general partner

By: /s/ Clarke B. Futch
Name: Clarke B. Futch
Title: Managing Partner

MOLAG HEALTHCARE ROYALTY, LLC,
a Delaware limited liability company

By: /s/ Clarke B. Futch
Name: Clarke B. Futch
Title: Managing Partner

[Signature Page to First Amendment to Credit Agreement]