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): **August 31, 2020**

JOUNCE THERAPEUTICS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-37998**	**45-4870634**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

780 Memorial Drive	
Cambridge, Massachusetts	**02139**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's telephone number, including area code: **(857) 259-3840**

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, $0.001 par value per share	JNCE	The Nasdaq Stock Market LLC

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 August 31, 2020, Jounce Therapeutics, Inc. (“Jounce”) and Gilead Sciences, Inc. (“Gilead”) entered into an exclusive license agreement (the “License Agreement”) to license Jounce's JTX-1811 program to Gilead. JTX-1811 is a monoclonal antibody designed to selectively deplete immunosuppressive tumor-infiltrating T regulatory (“TITR”) cells. The target of JTX-1811 is CCR8, a chemokine receptor enriched on TITR cells. In addition, concurrently with entering into the License Agreement, Jounce and Gilead entered into a stock purchase agreement (the “Stock Purchase Agreement”) and a registration rights agreement (the “Registration Rights Agreement”, and together with the License Agreement and the Stock Purchase Agreement, the “Transaction Agreements”).

Upon the closing of the transactions contemplated by the Transaction Agreements, at the closing, Jounce will receive an upfront cash payment from Gilead of $85.0 million, and Gilead will make a $35.0 million equity investment at a premium in Jounce. Jounce will also be eligible to receive up to $685.0 million in aggregate potential milestone payments as well as royalties based on a percentage of worldwide sales ranging from the high single digit to mid-teens, subject to certain adjustments.

License Agreement

Pursuant to the terms of the License Agreement, Jounce granted Gilead an exclusive, worldwide license under certain of Jounce's intellectual property rights to develop, manufacture and commercialize JTX-1811 for all purposes. Jounce will be responsible and bear expenses for all development activities until (i) the clearance of an investigational new drug application for JTX-1811 by the Food and Drug Administration, or (ii) an earlier date specified by Gilead. After such time, Gilead will have the sole right and responsibility and bear all expenses to develop and commercialize JTX-1811.

Jounce is eligible to receive potential development and regulatory milestones of up to $510.0 million and potential commercial milestones of up to $175.0 million, as well as tiered royalty payments based upon a percentage of annual worldwide net sales ranging from the high single digits to mid-teens, subject to certain reductions as described in the License Agreement. The License Agreement will remain in effect until it expires on a product-by-product and country-by-country basis at the end of the royalty term. Under the terms of the License Agreement, Jounce and Gilead each have the right to terminate the agreement in its entirety for insolvency of the other party, and in its entirety or on a product-by-product or region-by-region basis for material breach by the other party. Gilead may also terminate the License Agreement in its entirety, or on a product-by-product or region-by-region basis, for convenience with prior written notice. The initial development activities of both Jounce and Gilead and the subsequent transition of the JTX-1811 program to Gilead will be overseen by a joint steering committee.

The License Agreement includes various representations, warranties, covenants, dispute escalation and resolution mechanisms, indemnities, diligence and other provisions customary for transactions of this nature.

Stock Purchase Agreement

Under the Stock Purchase Agreement, Jounce agreed to sell to Gilead 5,539,727 shares (the “Shares”) of common stock, par value $0.001 per share, of Jounce (the “Common Stock”), at a purchase price of $6.318 per share, for aggregate cash consideration of $35.0 million (the “Equity Investment”). Based upon 34,214,618 shares of Common Stock outstanding as of August 28, 2020, after the Equity Investment, Gilead is expected to beneficially own approximately 13.9% of the outstanding shares of Common Stock. The purchase will occur upon the closing of the transactions contemplated in the License Agreement. The Stock Purchase Agreement also contains customary representations, warranties, and covenants of each of the parties thereto, as well as standstill and lock-up provisions.

Registration Rights Agreement

Under the Registration Rights Agreement, and subject to the lock-up restrictions provided in the Stock Purchase Agreement, Gilead will have customary demand and piggyback registration rights to register the resale of the Shares purchased in the Equity Investment with the Securities and Exchange Commission. The Registration Rights Agreement will require Jounce to pay certain expenses relating to such registrations, and Gilead and Jounce have also agreed to indemnify each other under the registration statement from certain liabilities.

The transactions with Gilead are subject to review under the Hart-Scott Rodino Antitrust Improvements Act and other customary closing conditions.

The foregoing description of the material terms of the Transaction Agreements is qualified in its entirety by reference to the complete texts of the Transaction Agreements, which will be filed, with confidential terms redacted, as exhibits to Jounce's Quarterly Report on Form 10-Q for the quarter ending September 30, 2020.

Item 3.02. Unregistered Sales of Equity Securities.

The information set forth in Item 1.01 above under the caption "Stock Purchase Agreement" is hereby incorporated by reference into this Item 3.02 in its entirety. The Shares are being sold to Gilead pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 of Regulation D promulgated thereunder, as the transaction does not involve any public offering.

Item 7.01 Regulation FD Disclosure.

On September 1, 2020, Jounce and Gilead issued a joint press release regarding the transactions, a copy of which is being furnished as Exhibit 99.1 to this Current Report on Form 8-K. The information in this Item 7.01, including Exhibit 99.1 attached hereto, is intended to be furnished and 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 or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press release issued by the Company on September 1, 2020
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.

JOUNCE THERAPEUTICS, INC.

Date: September 1, 2020

By: /s/ Kim C. Drapkin

Kim C. Drapkin

Treasurer and Chief Financial Officer

Exhibit 99.1

Gilead Contacts:

Douglas Maffei, PhD, Investors
(650) 522-2739

Marni Kottle, Media
(650) 522-5388

Jounce Contact:

Komal Joshi, Investors and Media
(857) 320-2523

For Immediate Release

GILEAD SCIENCES AND JOUNCE THERAPEUTICS ANNOUNCE EXCLUSIVE LICENSE AGREEMENT FOR NOVEL IMMUNOTHERAPY PROGRAM

– Gilead Will Have Exclusive Rights to Develop and Commercialize Anti-CCR8 Antibody –
– Gilead to Make $85 Million Upfront Payment and $35 Million Equity Investment –

Foster City, Calif. and Cambridge, Mass., September 1, 2020 – Gilead Sciences, Inc. (Nasdaq: GILD) today announced an agreement with Jounce Therapeutics, Inc. (Nasdaq: JNCE), a clinical-stage company focused on the discovery and development of novel cancer immunotherapies and predictive biomarkers, to exclusively license its JTX-1811 program.

JTX-1811 is a monoclonal antibody designed to selectively deplete immunosuppressive tumor-infiltrating T regulatory (TITR) cells. The target of JTX-1811 is CCR8, a chemokine receptor enriched on TITR cells. When JTX-1811 binds to CCR8, it targets TITR cells for depletion by enhanced antibody-dependent cellular cytotoxicity mechanism. The antibody remains on track for filing an Investigational New Drug (IND) application in the first half of 2021.

“We are very pleased to add, upon closing of the transaction, JTX-1811 to our pipeline of investigational immuno-oncology therapies that have the potential to transform care for patients with cancer,” said William A. Lee, PhD, Executive Vice President of Research at Gilead Sciences. “JTX-1811 is complementary to our other oncology candidates and has the potential to be first in a new class of therapies as a treatment for people with both solid tumors and hematological malignancies.”

“Gilead’s investment in Jounce and, specifically, JTX-1811 reinforces the value of our Translational Science Platform and differentiated and sustainable approach to novel immuno-oncology programs, focused on patients with cancer who have yet to benefit from immunotherapy. We look forward to seeing JTX-1811 progress to the clinic,” said Richard Murray, PhD, Chief Executive Officer and President of Jounce Therapeutics. “Our mission to deliver the right immunotherapy to the right patient population for meaningful and long-lasting benefit remains at the core of our discovery and clinical development work. Our JTX-1811 program is a prime example of these efforts.”

Terms of the Agreement

Under the terms of the agreement, Gilead will make a $85 million upfront payment to, and a $35 million equity investment at a premium in, Jounce upon closing. In addition, Jounce may receive up to an additional $685 million in future clinical, regulatory and commercial milestone payments. Jounce will also be eligible to receive royalties ranging from high single digit to mid-teens based upon worldwide sales, subject to certain adjustments.

Jounce will lead development of JTX-1811 through IND clearance, and thereafter, Gilead will have the sole right to develop JTX-1811. JTX-1811 is not approved anywhere globally. Its efficacy and safety have not been established.

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This transaction, which is expected to close in the second half of 2020, is subject to applicable antitrust clearance under the Hart-Scott Rodino Antitrust Improvements Act and other customary closing conditions.

About Jounce Therapeutics

Jounce Therapeutics, Inc. is a clinical-stage immunotherapy company dedicated to transforming the treatment of cancer by developing therapies that enable the immune system to attack tumors and provide long-lasting benefits to patients through a biomarker-driven approach. Jounce currently has four development-stage programs. Vopratelimab is a monoclonal antibody that binds to and activates ICOS, and is currently being studied in the EMERGE Phase 2 trial and Jounce plans to initiate an additional Phase 2 predictive biomarker trial using TIS^{vopra} for patient selection, SELECT. JTX-4014 is a PD-1 inhibitor intended for combination use within the SELECT study and with Jounce's broader pipeline. JTX-8064 is a LILRB2 (ILT4) receptor antagonist that may reprogram immune-suppressive tumor associated macrophages to an anti-tumor state. Jounce expects JTX-8064 to enter the clinic in 2020. JTX-1811 is a monoclonal antibody targeting CCR8 which is designed to selectively deplete T regulatory cells in the tumor microenvironment. For more information, please visit www.jouncetx.com.

About Gilead Sciences

Gilead Sciences, Inc. is a research-based biopharmaceutical company that discovers, develops and commercializes innovative medicines in areas of unmet medical need. The company strives to transform and simplify care for people with life-threatening illnesses around the world. Gilead has operations in more than 35 countries worldwide, with headquarters in Foster City, California. For more information on Gilead Sciences, please visit the company's website at www.gilead.com.

Jounce Forward-Looking Statements

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks, uncertainties and other factors, including the ability of the parties to close this transaction in a timely manner or at all, the development of JTX-1811 and the expected benefits of this transaction. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially. Factors that could cause or contribute to such differences include, but are not limited to, the ability to obtain regulatory approval for the transaction, and inherent uncertainties associated with pharmaceutical product development and commercialization. Risks and uncertainties facing Jounce are described more fully in Jounce's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission as well as discussions of potential risks, uncertainties, and other important factors in Jounce's subsequent filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this press release. Jounce undertakes no obligation to update or revise publicly any forward-looking statements contained in this press release.

Gilead Forward-Looking Statements

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks, uncertainties and other factors, including the ability of the parties to close this transaction in a timely manner or at all, the ability of the parties to meet potential milestones in the estimated timelines or at all and the risk that the parties may not realize the expected benefits of this collaboration. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. These risks, uncertainties and other factors could cause actual results to differ materially from those referred to in the forward-looking statements. The reader is cautioned not to rely on these forward-looking statements. These and other risks are described in detail in Gilead's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, as filed with the U.S. Securities and Exchange Commission. All forward-looking statements are based on information currently available to Gilead, and Gilead assumes no obligation to update any such forward-looking statements.

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